

# AGRICULTURAL OUTLOOK

November 1981

• Economic Research Service  
United States Department of Agriculture





# AGRICULTURAL OUTLOOK

November 1981/AO-71



- 1 In Brief . . .
- 2 **Agricultural Economy**  
Prospects for record U.S. grain crops, plus weak demand, continue to put downward pressure on farm prices. . . Agricultural prices are unlikely to rise much in the near term because of weakened economic conditions worldwide.
- 8 **Recent Publications**
- 9 **World Agriculture and Trade**  
World oilseed production will be record large this year, primarily because of gains in U.S. output. . . The United States is expected to have larger share of the world's soybean exports this year than last.
- 12 **General Economy**  
Money and credit will likely continue tight in 1982. . . As a result, strong economic growth will be difficult to sustain.
- 14 **Food and Marketing**
- 16 **Inputs**  
A look at the growing market for farm equipment leases. . . Changes in the tax laws have provided incentives for corporations and banks to buy equipment for leasing, and farmers are increasingly turning to leasing instead of purchasing.
- 18 **Storage and Transportation**
- 19 **Consumer Demand and the Agricultural Economy**  
This article studies the relationship between consumer demand and farm prices. . . While consumer demand has a definite impact on prices at the farm, the relationship is complicated by the many steps in the marketing process.
- 21 **Statistical Indicators**

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## In Brief... News of Farm Income, World Oilseeds, and the Leasing Market

The agricultural sector has been facing declining prices in response to this year's large U.S. and world crops. Although final provisions of the 1981 farm bill and the appropriations process will affect the outlook, agricultural prices are unlikely to rise significantly in the near-term because of weakened worldwide economic conditions. Hoping to brake the price decline, the Administration has proposed a wheat set-aside for the 1982 crop and has opened the farmer-owned reserve to this fall's feed grain crops.

Declining livestock prices have been a major factor behind the continued downward revisions of farm income estimates through the summer. As the large crops became apparent, crop prices began to decline, further lowering receipts. Current prospects suggest farm income in 1981 will not be substantially higher than 1980's low level. Net income before inventory adjustment is now projected at \$17 to \$21 billion, compared with \$21.9 billion in 1980. However, with this year's larger crops, net farm income after inventory adjustment is forecast at \$20 to \$24 billion—a slight improvement from last year's \$19.9 billion.

World production of oilseeds in 1981/82 is forecast to exceed the 1979/80 record and to improve 9 percent from last year's harvest, primarily because of gains in U.S. output. Preliminary forecasts indicate that the United States will increase its share of world soybean exports, regaining some of the market lost last year. In 1981/82, the U.S. share may reach 80 percent of world soybean exports, up from 76 percent in 1980/81. Brazil's exports of both soybeans and meal in 1981/82 are expected to decline from last season because of sharply reduced supplies.



The emerging conflict between stimulative fiscal policy and restrictive monetary policy is contributing to uncertainty about the economy's performance in 1982. The Federal Reserve Board has indicated that the 1982 target ranges for monetary growth will be one percentage point lower than in 1981. Thus, money and credit will likely continue tight next year. Strong economic growth will be difficult to sustain under these conditions.

In 1981, the marketing bill—a measure of the costs of processing, distributing, and retailing U.S. farm foods—is expected to total \$197 billion, an increase of 10.3 percent from last year. The rise is based on continuing increases in each of the major components. On the other hand, the farm value of food will climb only moderately, as large supplies of most foods—especially red meats and poultry—are dampening upward pressure on farm prices. Preliminary figures for the farm value and consumer expenditures are \$88 and \$285 billion, respectively.

More and more farmers are leasing their equipment instead of buying. A recent survey of 131 leasing companies indicates that the value of their outstanding agricultural leases rose 141 percent between 1979 and 1980. Rising machinery prices, loan rates, and income tax brackets for some farmers make leasing attractive. The Economic Recovery Tax Act of 1981 grants advantages to corporations and banks that purchase rental equipment, a situation fostering desirable leasing terms for farmers.

The Interstate Commerce Commission approved a 1.4-percent rate increase effective October 1. This is the third cost-justified increase for 1981, and another is expected at the beginning of 1982. Increases now total 8.4 percent above December 1980, but railroads have not elected to impose all of the authorized raises. The Saint Lawrence Seaway Development Corporation and the Saint Lawrence Seaway Authority of Canada have agreed to increase tolls for 1982, with additional raises in 1983. While revision in tolls must be approved by both U.S. and Canadian Governments, the proposed schedule will likely become effective before the 1982 shipping season.

Results from economic models indicate that (all other things being equal) a 10-percent increase in disposable consumer income translates into a \$6-billion change in farm income at 1981 levels. This is nine times more than the income boost resulting from a 100-million-bushel increase in corn or soybean exports, and it's five and a half times the boost from a 10-percent decline in corn yields. Another approach estimates that a 1-percent increase in consumer income raises farm prices by 1.35 percent, with 80 percent of the gain coming in the first year.





## Agricultural Economy

The agricultural economy has been facing declining prices in response to this year's large U.S. and world crops. In the next few months, however, final provisions in the 1981 farm bill and developments in the general economy will modify the marketing outlook. Hoping to brake the price decline, the Administration has proposed a wheat set-aside for the 1982 crop and has opened the farmer-owned reserve to this fall's feed grain crops.

With slow economic growth and high interest rates expected to continue through first-half 1982, general economic conditions are unlikely to boost agricultural prices in the near-term. However, economic policy, like farm policy, depends on the outcome of the 1982 appropriations process. Expansionary spending and tax policies combined with tight money and credit policies could continue the "stop-and-go" pattern of economic growth for some time.

The slow economy is still squeezing livestock producers between costs rising with inflation and prices dampened by plentiful supplies and slow demand. For the year, hog prices will likely rise about \$6 over 1980's \$40 average, reflecting a 6-percent decline in slaughter; however, this decline in pork supplies will not be sufficient to raise cattle and poultry prices from last year's levels.

Declining livestock prices have been a major factor behind the continued downward revisions of farm income estimates through the summer. As the large crops became apparent, crop prices began to decline, further lowering receipts. Current prospects suggest that farm income in 1981 will not be substantially higher than 1980's low level.

Expanding U.S. crop prospects have accompanied declining Soviet prospects. Further deterioration in the Russian wheat crop estimate and a lower foreign export estimate raised the October estimate of U.S. wheat exports 2 million tons from September. Similarly, a lower estimate for Soviet feed grain production led to upward revision of anticipated U.S. exports, now forecast to rise 4 million tons from 1980/81. Total U.S. grain exports for 1981/82 are expected to be 128.3 million tons, 3.1 million above last month's estimate.

Improved export prospects have not raised price prospects because the October production estimates exceeded September's. The corn crop will likely reach 8.1 billion bushels, or 205 million metric tons—22 percent above last year's depressed output. The wheat crop estimate remains at 2.7 billion bushels, or 74.8 million tons; while soybean production could reach 2.1 billion bushels, or 57.3 million tons.

Unlike most crops, citrus production is anticipated to drop 4 percent in 1981/82. Higher juice yield, however, will increase the supply of processed citrus items, particularly frozen concentrated orange juice. Orange juice prices will be stable, while fresh orange prices will remain above year-earlier levels.

This year's low prices and farm income point to slow markets for input industries in first-half 1982, as acreages will likely decline and farmers will continue to postpone equipment purchases. These conditions could strengthen a trend toward equipment leasing rather than purchasing. *[Lorna Aldrich (202) 447-2317]*

## LIVESTOCK HIGHLIGHTS

### Cattle

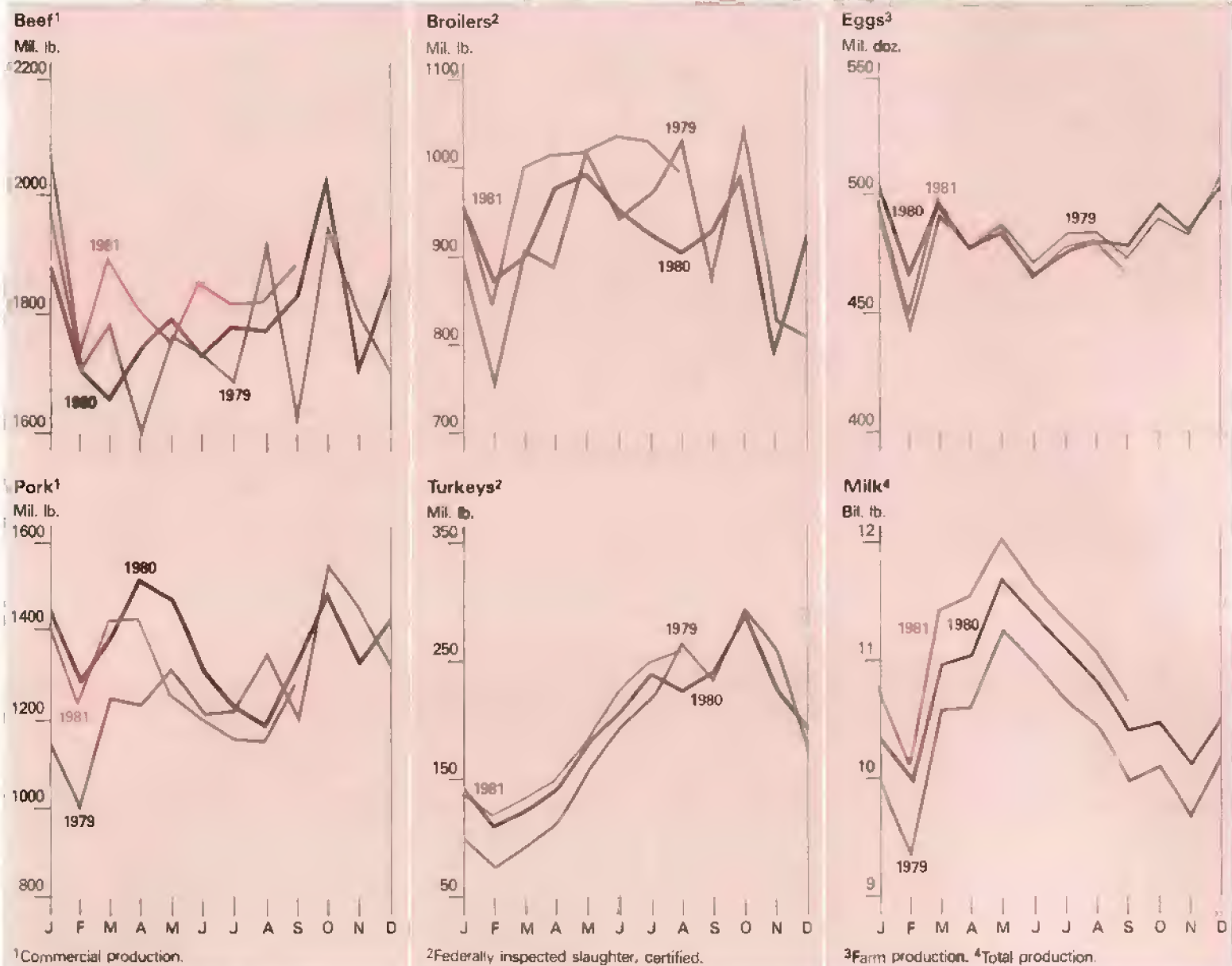
Lower grain prices, increased feeder cattle movement as grazing conditions decline, and prospects for modest profits late in the fall should encourage increased feedlot placements this fall. However, fed cattle marketings are expected to remain below year-earlier levels through much of the first quarter of 1982. Lower fed cattle marketings plus nonfed slaughter near year-ago levels are likely to support moderately stronger cattle prices. But to obtain higher prices, feeders will have to continue holding down slaughter weights as they have this summer.

With total red meat and poultry supplies rising above a year earlier in the third quarter, meat prices began to decline in early October. This downward pressure was largely due to continued marketings from the record large April feedlot placements. However, most of these cattle were marketed by late October.

The feedlot inventory on October 1 was the smallest since 1967; cattle on feed in the 23 major cattle feeding States numbered 9 percent below a year earlier. Net placements during the third quarter declined 11 percent from a year ago, while marketings increased 4 percent from last summer. Feeders indicated intentions to market 3 percent fewer fed cattle than a year ago this fall. The number of cattle in weight groups likely to go to market in November and December fell 4 to 11 percent below last year.

Choice steer prices at Omaha declined from near \$70 per cwt in early July to about \$61 in late October as fed cattle marketings increased. Prices may average \$65 to \$68 in the fourth quarter, with prices near \$70 possibly occurring late in the quarter. Prices are expected to average \$66 to \$70 in the winter quarter.

## Supplies Update: Livestock and Products



Feeder cattle prices at Kansas City remain under pressure from adequate feeder cattle supplies and narrow feeding margins. However, very favorable pasture and small-grain grazing prospects this fall—plus lower grain prices—are expected to support feeder cattle prices. Yearling feeder steer prices increased from the low \$60's in early summer to around \$66 in September. However, prices declined along with those for fed cattle in early October. Prices are expected to remain near to slightly above fed cattle prices this fall and winter. Prospects for favorable small-grain grazing this year may also support feeder calf prices. [Ron Gustafson (202) 447-8636]

### Hogs

Commercial hog slaughter for all of 1981 may range from 88 to 92 million head, down about 6 percent from a year earlier but the third largest slaughter on record. For the year, hog prices are forecast to average about \$46 a cwt, compared with \$40 last year.

Commercial pork production in the third quarter totaled about 3.6 billion pounds, down 4 percent from a year earlier. During July-September, barrow and gilt prices at the 7 markets averaged \$50.42 per cwt. In September, pork production was 4 percent below a year earlier, and hog prices averaged \$49.68 per cwt. Sharply lower corn prices and only slightly lower hog prices in September combined to produce the best cost and returns situation of the year for hog producers.



Hog slaughter for the fourth quarter will come largely from market hogs weighing 60 to 179 pounds on September 1. This inventory in the 14 major producing States was down 8 percent from a year earlier. Commercial slaughter is forecast 7 to 9 percent below a year earlier, with hog prices averaging \$46 to \$49 per cwt. [*Leland Southard (202) 447-8636*]

#### **Dairy**

Commercial disappearance of milk and dairy products (milk equivalent, fat-solids basis) for the first 8 months was about even with a year earlier. Relatively small retail price gains this fall should increase disappearance. However, the slow economy may hold the rise in use to about 1 percent.

September 1 commercial holdings of dairy products were equivalent to 5.8 billion pounds of milk, about 5 percent below a year earlier. Anticipated large milk production in August-October and high interest rates this year prevented the commercial stock buildup that normally occurs during February-July. Meanwhile, Government holdings of dairy products (milk-equivalent basis) doubled to reach 14.7 billion pounds. Net purchases of dairy products by the Commodity Credit Corporation during the October-September milk marketing year rose 55 percent over 1979/80—equivalent to 12.7 billion pounds of milk. [*Clifford Carman (202) 447-8636*]

#### **Broilers**

Broiler producers continued to expand production in the third quarter even though costs exceeded wholesale prices. Broiler production in the third quarter was about 11 percent greater than in the summer of 1980, when low returns and hot weather reduced output. Chicks placed for October and November production plus egg sets for December production suggest total fourth-quarter output may be 4 percent above last year.

Broiler prices were below year-earlier levels during the third quarter and are likely to remain lower again this quarter, partly because of seasonal factors. Although red meat supplies are below last year, the weak economy will likely restrain consumer spending and hold prices down. [*Allen Baker (202) 447-8636*]

#### **Eggs**

Production usually rises in the fourth quarter as demand increases, but this year it may trail last year by 1 percent because the flock is older and fewer replacement pullets will be available. Egg production during the third quarter of 1981 was about the same as 1980's 1,432 million dozen. Egg production in 1982 is expected to be down 1 percent from 1981 because producers have had no financial incentive to add replacement pullets.

September egg prices in New York averaged about 75 cents a dozen, slightly above the 73 cents of a year ago. With continued tight consumer budgets and plentiful supplies of meat, wholesale egg prices in New York may average 75 to 78 cents in October-December, near the 77 cents of fourth-quarter 1980. [*Allen Baker (202) 447-8636*]

#### **Turkeys**

Even though unfavorable returns reduced the hatch from January through April 1981, turkey production in the third quarter was about 8 percent above a year earlier. The number of poult hatched suggests that production in the fourth quarter may exceed 1980 by 4 percent.

Record large turkey stocks and increased production are depressing turkey prices. Wholesale prices for young, 8 to 16 pound hen turkeys in New York averaged 59.5 cents in September, down from 74.5 cents last year. Prices in the third quarter averaged 62.7 cents, down from 68.3 cents last year. Fourth-quarter prices are expected to average 55 to 57 cents, well below last year's 73 cents. [*Allen Baker (202) 447-8636*]

### **CROP HIGHLIGHTS**

#### **Soybeans**

While 1981/82 U.S. soybean supplies will rebound sharply from last season's drought-reduced level, demand factors suggest only moderate gains in use. Soybean production is forecast to jump 18 percent this year to 2.1 billion bushels, as higher yields outweigh the 2-million-acre drop in planted acreage. Larger production combined with a carryin of 320 million bushels will boost total soybean supplies to 2.4 billion bushels.

As indications of a bumper crop rolled in, soybean prices at the farm declined sharply—dropping from \$7.42 a bushel in May to \$6.29 in mid-September. Without significant changes in the demand picture, prices are apt to continue at their current low levels through the heavy harvest period of October-December. The season average price is expected to fall between \$5.50 and \$7.00.

Total disappearance in 1981/82 is projected to reach 2.0 billion bushels, up only 9 percent from last season. Prospects for improved crushing margins resulting from relatively weak soybean prices will help bolster demand for domestic crushing—now forecast to rise 60 million bushels to 1,080 million. A similar increase is projected for exports, which could reach 840 million bushels this season. Despite these increases, carryover stocks are projected to rise about a third to a record 420 million. [*Leslie Herren (202) 447-8444*]

#### **Feed Grains**

As of October 1, the 1981 feed grain crop was forecast at a record 245.3 million metric tons, nearly 4 million above the September forecast and 7 million above the previous record set in 1979. The forecast corn crop of 8.08 billion bushels (205 million metric tons) is up 2 percent from the September forecast. Total feed grain supplies are projected at 280.2 million tons, 11 percent above last year but 2 percent below 1979/80.

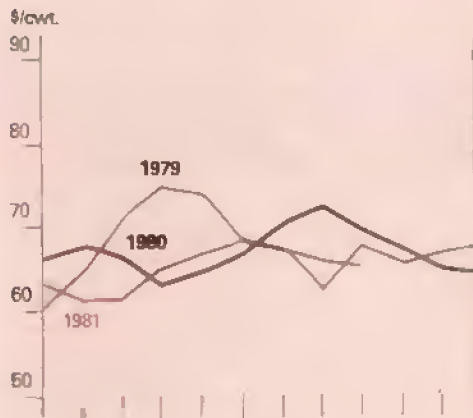
Feed use of all feed grains is expected to climb about 4 percent in 1981/82 to 130 million tons. The estimate of corn exports was raised 50 million bushels to 2,500 million because of increased trade prospects with the Soviet Union. Total feed grain exports are forecast at 74.1 million tons, up 6 percent from last year.

With a larger corn crop in prospect, carryover stocks will likely increase more than previously estimated. By the end of 1981/82, carryover stocks will likely be about 1.5 billion bushels, with total feed grain stocks projected at 50.0 million tons.

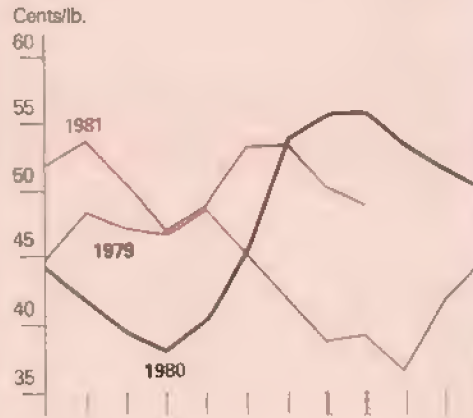
Larger supplies and an expected buildup of stocks have dampened the price outlook. This prompted opening of the farmer-owned reserve to 1981 corn, sorghum, and barley and to 1980 grain still under a regular CCC loan. Season average corn prices are now projected at \$2.60 to \$2.90 a bushel, compared with 1980/81's \$3.10. [*Robert Green (202) 447-8444*]

# Commodity Market Prices: Monthly Update

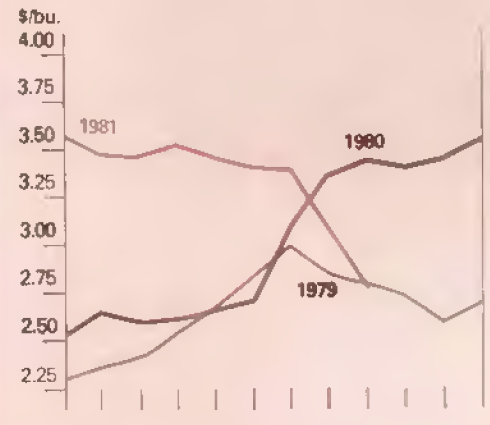
**Choice Steers<sup>1</sup>**



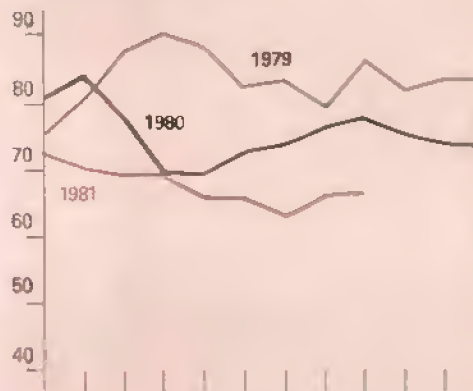
**Broilers<sup>4</sup>**



**Corn<sup>6</sup>**



**Choice Feeder Cattle<sup>2</sup>**



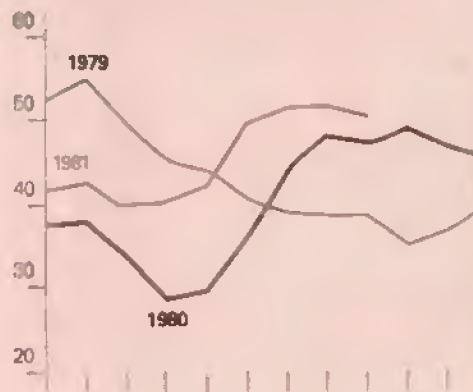
**Eggs<sup>5</sup>**



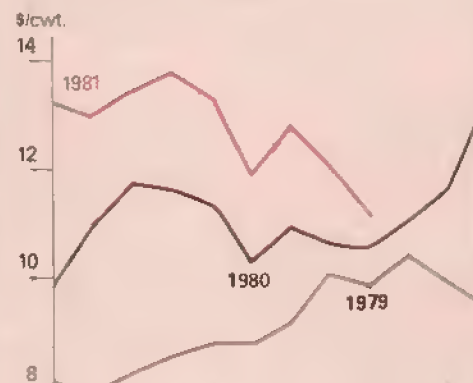
**Soybeans<sup>7</sup>**



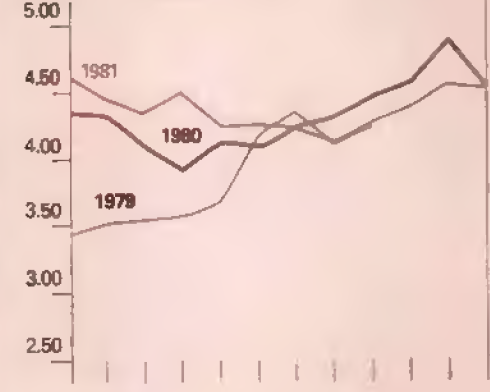
**Barrows and Gilts<sup>3</sup>**



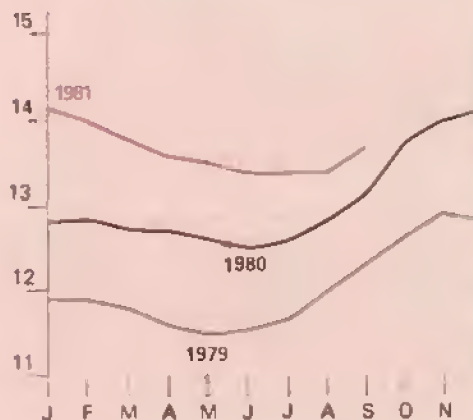
**Rice (Rough)**



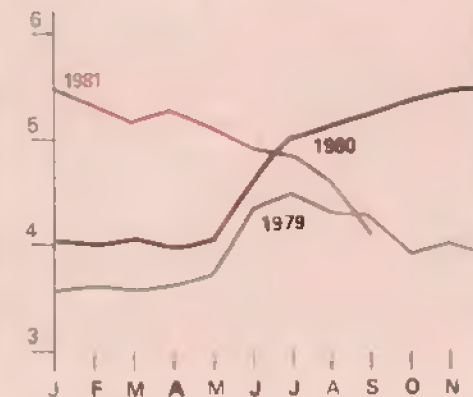
**Wheat<sup>8</sup>**



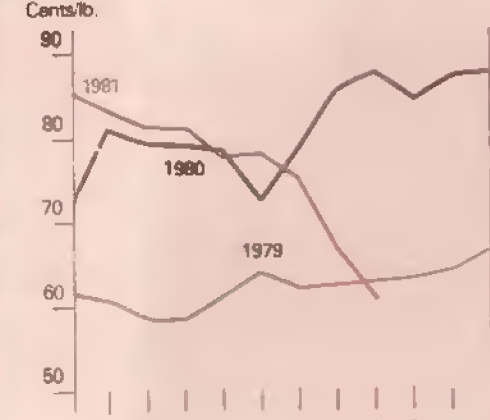
**All Milk**



**Sorghum Grain**



**Cotton<sup>9</sup>**



Prices for most recent month are mid-month prices.  
<sup>1</sup>Omaha <sup>2</sup>600-700 lbs., Kansas City. <sup>3</sup>7 markets

<sup>4</sup>Wholesale, New York. <sup>5</sup>Grade A Large, New York.

<sup>6</sup>No. 2 Yellow, Chicago. <sup>7</sup>No. 1 Yellow, Chicago.

<sup>8</sup>No. 1 HRW, Kansas City.

<sup>9</sup>Average spot market, SLM, 1-16."



## Wheat

The supply of wheat for 1981/82 is a record 3.74 billion bushels. However, total domestic use and exports are expected to exceed the record production of 2.75 billion bushels, leaving carryover stocks down from a year earlier. Feed use for 1981/82 was forecast in late October at 200 million bushels, 75 million above the previous estimate.

Stronger world demand, particularly from the USSR, is estimated to expand U.S. shipments to a new high of 1.9 billion bushels—26 percent more than last season's record.

Although early season farm prices for wheat have been the lowest in 3 years, the increasing demand is expected to improve the price level. Still, the 1981/82 average farm price will likely be below last season's \$3.96 a bushel. *[Allen Schienbein (202) 447-8776]*

## Rice

Prospects for a record U.S. rice crop in 1981 and weaker export demand because of continued favorable growing conditions in major importing countries point to a substantial buildup in U.S. stocks this season. As of October 1, the rice crop was forecast at a record 178.8 million cwt, almost a fourth more than last year. Although domestic use may expand, total utilization this year may fall far short of production, leaving carryover stocks at a projected record of 56 million cwt. The 1981/82 average farm price may fall to between \$9 and \$11 per cwt, compared with \$12 last season. *[Sam Evans (202) 447-8444]*

## Tobacco

Production is forecast at 2.01 billion pounds, up 13 percent from 1980's output. Acreage, yield, and production are estimated just short of the large crop produced in 1978. Beginning stocks and production of flue-cured are above last season, with total supply up 3 percent; at three times last season's use, supply remains large and will raise carryover stocks. By late October, most of the flue-cured crop had been sold for an average of \$1.67 a pound, up 22 cents from a year earlier. A higher quality crop meant loan receipts were below a year earlier. USDA is required to announce the 1982 flue-cured marketing quota by December 1.

The largest burley crop since 1963 will be sold beginning November 23. U.S. carryover supplies are depleted, and a brisk worldwide demand is indicated. The support level is \$1.64 a pound, and grower returns should average somewhat higher. *[Robert H. Miller (202) 447-8776]*

## Peanuts

Peanut production is forecast at 3.87 billion pounds, up 68 percent from last year's drought-reduced crop and just 2 percent short of the record 1979 crop. Even with the small carryin, the supply in 1981/82 is 28 percent above last year. In some areas, early harvest has been impeded by extremely dry weather; about 14 percent of the early harvest has been placed under loan. Shellers are offering up to 3 cents a pound premium over the support price (quota peanuts, 22.75 cents). *[Robert H. Miller (202) 447-8776]*

## Fruit

The October 1 forecast of the 1981/82 citrus crop indicates 14.4 million tons, down 4 percent from last season. Smaller crops are expected for oranges, lemons, and tangerines. The orange crop is estimated at 221 million boxes, 10 percent below last season. In Florida, the forecast calls for 166 million boxes, 4 percent below last season's freeze-damaged crop. California expects a crop of 47 million boxes, 29 percent less than last season's record. In contrast, prospects are up 25 and 2 percent in Texas and Arizona, respectively, from last season.

Even with a smaller Florida orange crop, larger 1981/82 output of most processed citrus items—particularly frozen concentrated orange juice (FCOJ)—is expected because of a higher anticipated juice yield. Thus, with the expected larger carryover, total supplies of FCOJ could exceed last season if imports remain relatively large. However, with strong demand in prospect, the large supply of FCOJ may keep prices relatively stable. Prices of fresh oranges will be particularly strong in view of the considerably smaller supplies of California Navel oranges and reduced competition from a smaller apple crop. Current market prospects for oranges suggest grower prices will remain above year-earlier levels through the winter. Thus, higher grower prices combined with continually rising marketing costs will keep retail orange prices higher than a year ago.

Prospects for U.S. grapefruit production on October 1 (excluding California "other areas" grapefruit) point to a crop of 72.1 million boxes, 13 percent above last season. Florida's crop is forecast at 55 million boxes, 9 percent above last season. The Texas crop will be up 57 percent, while crops in California and Arizona are expected to be down 6 and 7 percent, respectively, from last season. With the smaller citrus crop and projected good demand for fresh grapefruit and processed grapefruit products, the larger grapefruit crop is not likely to push prices down.

The California-Arizona lemon crop is expected to total 30.1 million boxes, 5 percent below the record 1980/81 crop. F.o.b. prices for fresh lemons are substantially higher than a year ago. Lemon prices will decline as the season progresses, but are still likely to average above last year's low level. *[Ben Huang (202) 447-7290]*

## FARM INCOME UPDATE

High interest rates, large supplies of meat and grains, the strong dollar, and weak consumer demand have limited the advance of farm cash receipts this year. Total cash receipts in 1981 are expected to be 4 to 6 percent above 1980. Receipts may rise 2 to 4 percent for livestock and 6 to 8 percent for crops. At the same time, farm production expenses will likely increase 8 to 10 percent in 1981, with interest and energy-based inputs rising the most.

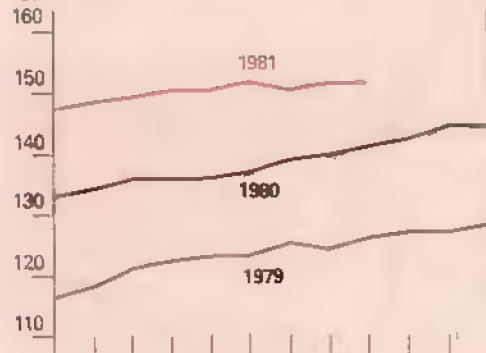
With increases in production expenses outstripping gains in cash receipts, farmer's net cash income will probably fall below last year's level. Net income before inventory adjustment is now projected at \$17 to \$21 billion, compared with \$21.9 billion in 1980. However, with this year's larger crops, net farm income after inventory adjustment is forecast at \$20 to \$24 billion—a slight improvement over last year's \$19.9 billion.



# Prime Indicators of the Agricultural Economy

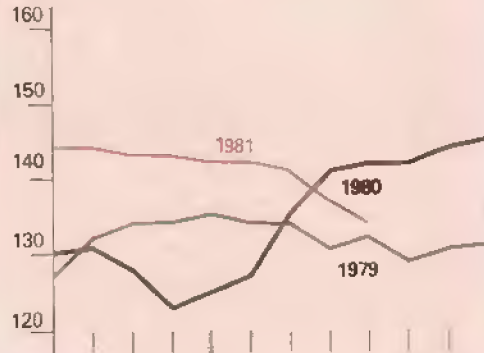
**Prices Paid by Farmers<sup>1</sup>**

1977 = 100



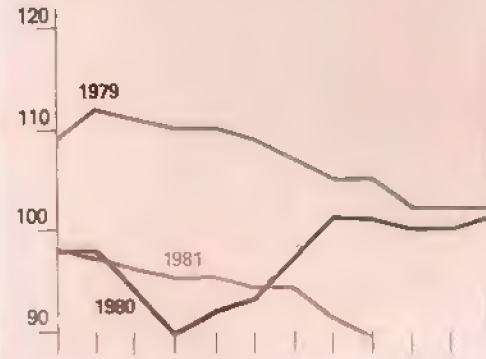
**Prices Received by Farmers<sup>2</sup>**

1977 = 100

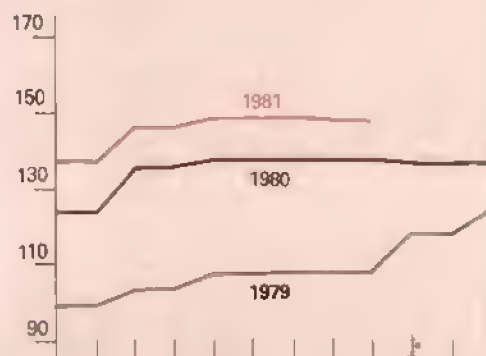


**Ratio of Prices Received to Prices Paid**

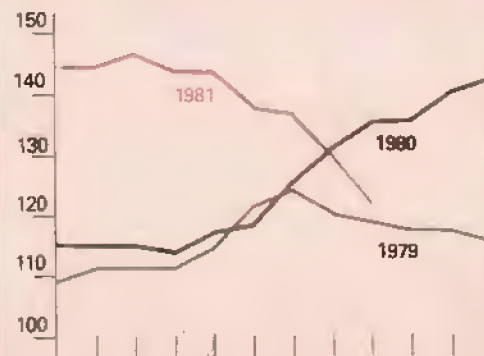
Percent



**Fertilizer Prices**

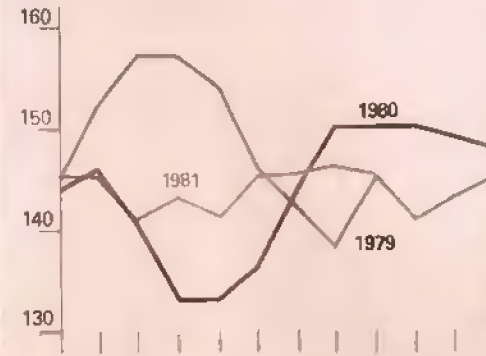


**All Crops**

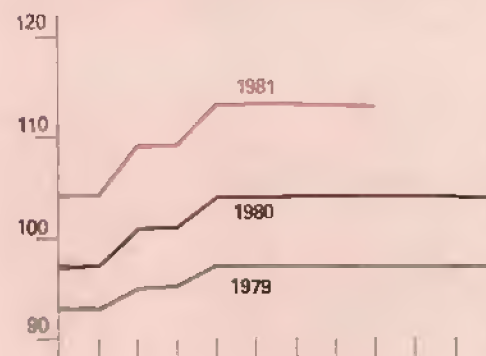


**Livestock and Products**

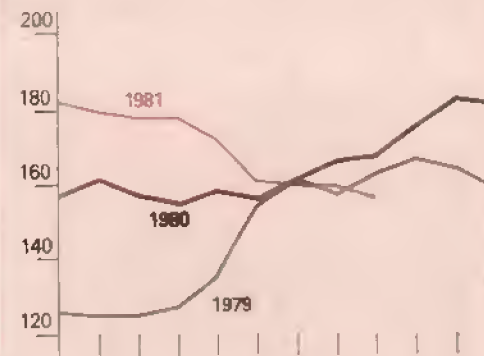
1977 = 100



**Agricultural Chemicals**



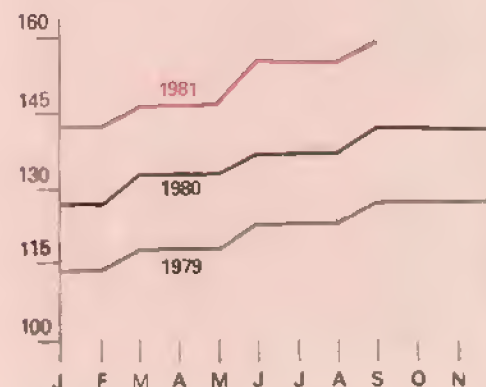
**Food Grains**



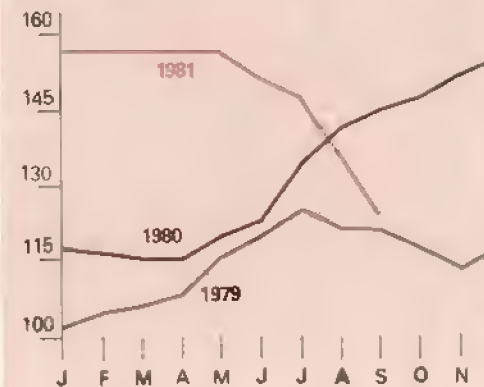
**Meat Animals**



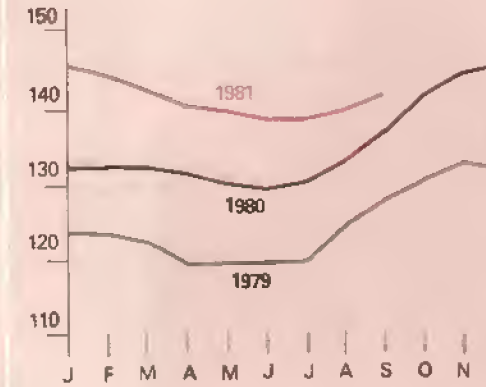
**Tractors and Self-Propelled Machinery**



**Feed Grains and Hay**



**Dairy Products**



<sup>1</sup>For commodities and services, interest, taxes, and wages.

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

<sup>2</sup>For all farm products.

## Ratio of Prices Received to Prices Paid Declining

Item	April	May	June	July	August	September <sup>3</sup>
1977=100						
Index prices received by farmers . . . . .	143	142	142	141	137	134
Index Prices paid, interest, taxes, and wage rates <sup>1</sup> . . . . .	150	150	151	151	151	151
Ratio <sup>2</sup> . . . . .	95	95	94	93	91	89

<sup>1</sup> Mid-month index. <sup>2</sup> Ratio of index of prices received by farmers to index of prices paid, interest, taxes, and farm wages. <sup>3</sup> Preliminary.

### Farm Prices Down; Costs Up

Farm prices slowly drifted downward through July, while prices for production items were stable. In the short run, changes in the ratio of the index of prices received by farmers to the index of prices paid (for production items, interest, taxes, and farm wages) generally parallel changes in realized net farm income. This ratio has declined or been steady each month since December 1980.

In mid-July, commodity markets reacted to the favorable growing weather across the country. Farm prices of most crops slipped, as the potential for record 1981/82 output became apparent. Meanwhile, livestock prices remained fairly flat through the first three quarters of the year. At the same time, prices for inputs and debt servicing continued to climb with the general rate of inflation, causing a squeeze on farmers' cash flow. Tight cash flow is expected to continue in the fourth quarter and into the first quarter of 1982, as crop prices keep falling, livestock prices remain flat, and prices paid by farmers move higher.

### Government Payments Up in 1981

Direct government payments constitute a small portion of gross farm receipts—less than 1 percent in 1980. Payments through the first half of 1981 totaled about \$761 million. Total direct government payments for calendar 1981 are forecast between \$1.4 and \$1.6 billion—up from \$1.3 billion in 1980.

In the first quarter alone, payments to farmers and ranchers were about \$557 million. More than half of this represented disaster payments to wheat, rice, cotton, and feed grain farmers hit by last year's drought. Last year's cotton crop was particularly affected, with production falling about 24-

percent and 11 percent of planted acreage abandoned. As a result, producers received about \$200 million in disaster payments in the first half of 1981. Feed grain producers, many in the South, received about \$100 million in disaster provisions; wheat producers, \$20 million, and rice farmers, about \$1 million.

Last year's dry weather also affected livestock ranges and pastures, with the feed condition index 20 points or more below average in many areas. As a result of last fall's poor grazing, payments through the emergency livestock feed program amounted to nearly \$250 million—the largest single payout for the first half of 1981. Other programs with large payments in the first half of the year include the agricultural conservation program, \$90 million; the Wool Act, \$36 million; and forestry incentives, \$6 million.

Storage payments for the farmer-owned grain reserve were about \$31 million through the first 6 months. High feed grain prices in the first two quarters of 1981 led to calling of reserves, forcing producers to sell out of storage and refund unearned payments. However, a large influx of wheat from the record-large 1981 crop offset these paybacks, leaving net reserve payments up for the first half of the year.

The second half of 1981 should see equally large payment activity. Deficiency payments to wheat producers alone are projected to total about \$400 million—the result of poor market prices due to the large 1981 crop and slower-than-expected exports. [Gary Lucier (202) 447-4190]



## Recent Publications

USDA's Economic Research Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader. To order reports listed below, write directly to ERS Publications, Room 0054-South, U.S. Department of Agriculture, Washington, D.C. 20250. Be sure to list the publication number and provide your zipcode.

Farm Commodity Programs: Who Participates and Who Benefits? AER 474.

Hired Farmworkers: Background and Trends for the Eighties. RDRR 32.

Burley Tobacco: Is Baling a Better Way? Farmline Vol. II Number 9 October 1981.

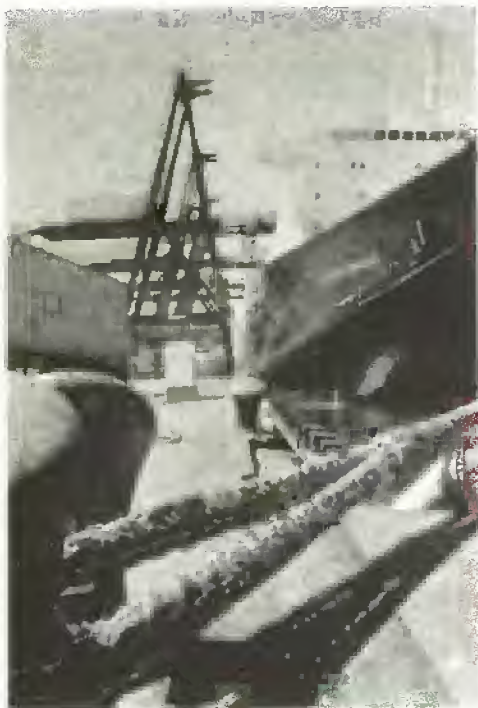
Farm Population of the United States: 1980. Series P-27, No. 54.

Rural Development Perspectives. RDP-4, September 1981.

Food Consumption, Prices, and Expenditures 1960-80. SB 672.

Economic Indicators of the Farm Sector: Income and Balance Sheet Statistics, 1980. SB 674.





## World Agriculture and Trade

### SPOTLIGHT ON OILSEEDS:

#### World Production To Reach Record

World production of oilseeds in 1981/82 is forecast to exceed the 1979/80 record and to improve 9 percent from last year's harvest, primarily because of gains in U.S. output. Foreign production prospects are mixed. Canadian rapeseed acreage for 1981/82 dropped 30 percent in response to poor returns last year. Consequently, production is expected to fall sharply for the second consecutive year. Brazil's acreage should remain relatively constant. While some new lands may be planted to soybeans, returns will likely be less favorable than those for corn in Brazil's two major producing states, and some shift from soybeans to corn is likely. Argentina is projected to have larger soybean production, assuming normal weather.

### U.S. Oilseed Market Share To Rise

	1978/79	% Share	1979/80	% Share	1980/81	% Share	1981/82 Forecast	% Share
	million metric tons		million metric tons		million metric tons		million metric tons	
<b>Soybean Exports</b>								
U.S.	20.12	81.6	23.82	83.8	19.71	76.4	22.86	80.3
Brazil	.64	2.6	1.24	4.4	1.90	7.4	1.50	5.3
Argentina	2.80	11.4	2.32	8.2	3.00	11.6	3.10	10.9
EC	.34	1.4	.30	1.0	.28	1.1	.22	.8
Other	.74	3.0	.76	2.7	.93	3.6	1.04	3.6
World Total	24.64		28.44		25.81		28.72	
<b>Soybean Meal Exports</b>								
U.S.	6.00	38.8	7.17	41.6	6.26	31.9	6.65	34.7
Brazil	5.45	35.2	5.49	31.8	8.60	43.8	7.80	40.8
Argentina	.38	2.5	.35	2.0	.31	1.6	.37	1.9
E.C.	3.12	20.2	3.57	20.7	3.70	18.8	3.55	18.5
Other	.54	3.5	.66	3.8	.75	3.8	.77	3.6
World Total	15.48		17.24		19.62		19.14	
<b>Soybean Oil Exports</b>								
U.S.	1.06	35.7	1.22	37.3	.73	20.4	1.02	27.3
Brazil	.56	18.8	.54	16.5	1.25	34.9	1.00	26.8
Argentina	.05	1.7	.11	3.4	.08	2.2	.10	2.7
E.C.	.91	30.6	.91	27.8	.95	26.5	.99	27.0
Spain	.31	10.4	.37	11.3	.44	12.3	.48	13.1
Other	.08	3.0	.12	3.7	.13	3.6	.14	3.8
World Total	2.97		3.27		3.58		3.73	

### U.S. Export Share Could Improve in 1981/82

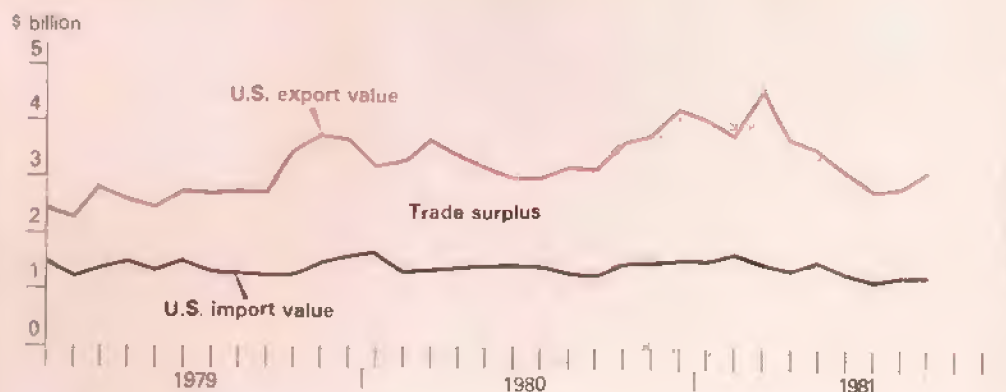
Preliminary forecasts indicate that the United States will increase its share of world soybean exports, regaining some of the market lost last year. In 1981/82, the U.S. share may reach 80 percent of world soybean exports, up from 76 percent in 1980/81. Both Brazilian exports of soybeans and soybean meal in 1981/82 are expected to decline from the 1980/81 level because of sharply reduced supplies.

Last year was atypical for the world soybean industry. Global consumption of soybeans and meal declined 1.4 and 3.0 percent, respectively. Soybean oil consumption showed only a marginal increase. A 10-percent drop in U.S. disappearance of soybean meal accounted for much of the decline in world demand. A drop in meal use in several major consuming markets, including Western Europe, Eastern Europe, and Japan, offset increases elsewhere. Slow growth in use was the result of limited demand because of high prices for most oilseeds, high interest rates, and slow growth in livestock production.

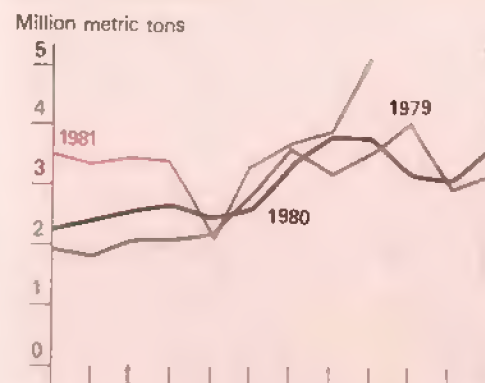
During October-December 1980, Brazilian soybean and meal exports were unusually strong, competing with U.S. sales during the first part of the U.S. marketing year. Brazil's soybean exports continued at an accelerated pace through the year, breaking historical monthly highs in May, June, and July. Brazil's share of world soybean exports in 1980/81 should reach 7 percent, up from 4 percent the previous year. Soybean meal exports will reach 44 percent of the world total, up from 32 percent in 1980/81. However, last year's rapid exporting and crushing pace reduced Brazil's 1980/81 carryover. Thus, exports during October-December 1981 are unlikely to be as strong as in the first quarter of the previous year. In 1981/82, Brazil's share of soybean and soybean meal exports may reach only 5 and 41 percent, respectively.

# U.S. Agricultural Trade Indicators

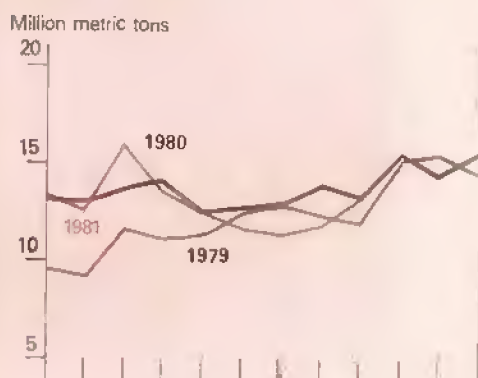
## U.S. Agricultural Trade Balance



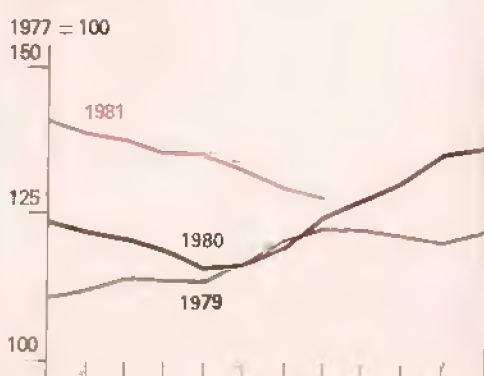
## U.S. Wheat Exports



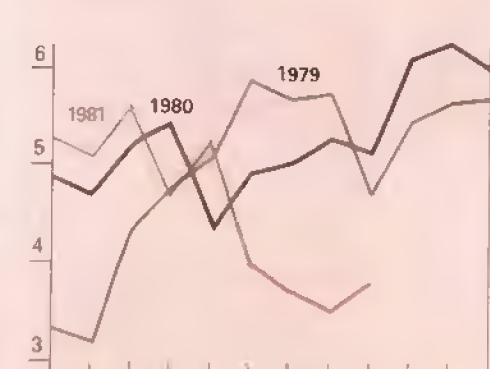
## Export Volume



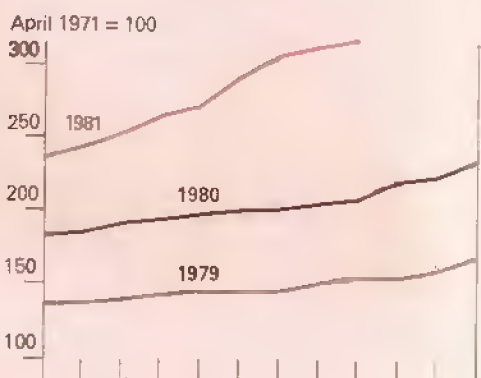
## Export Prices



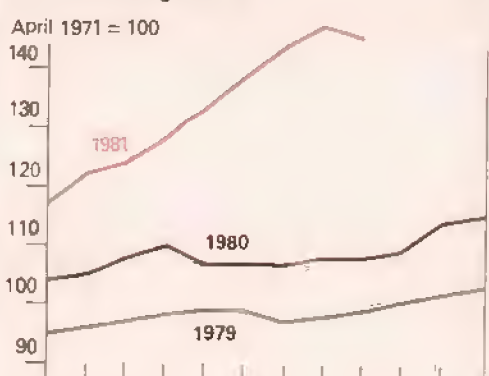
## U.S. Corn Exports



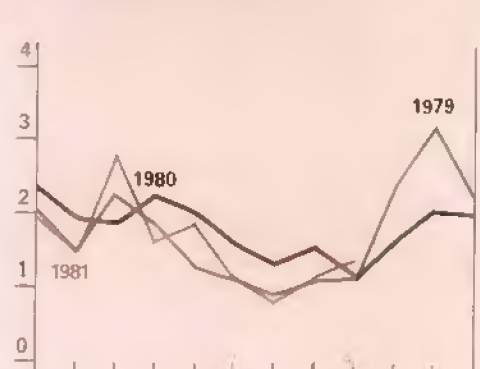
## Wheat Exchange Rate\*



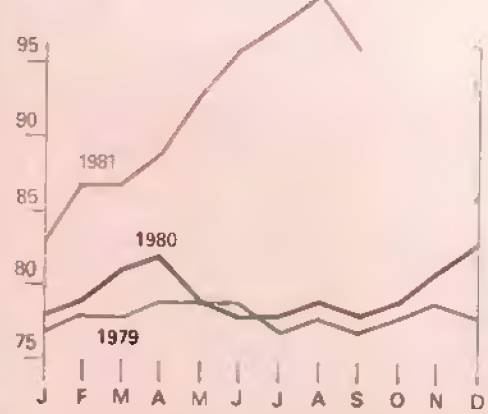
## Corn Exchange Rate\*



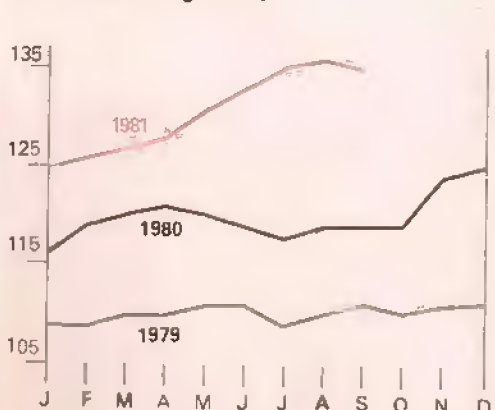
## U.S. Soybean Exports



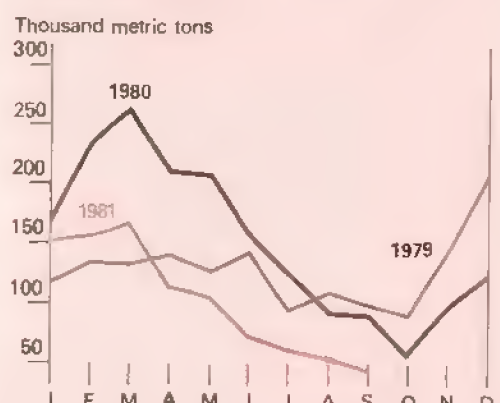
## Soybeans Exchange Rate\*



## Cotton Exchange Rate\*



## U.S. Cotton Exports



\*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market.



The most significant shift in 1980/81, however, was a drop in the U.S. share of the world soybean-oil trade—declining from 37 percent in 1979/80 to 20 percent in 1980/81. In contrast, Brazil's share rose to approximately 35 percent from 16 percent the previous year. As a result, Brazil captured much of the Indian market, which was traditionally the largest one for U.S. soybean oil.

#### Increased Soybean Use Foreseen

Soybean use is forecast to expand in 1981/82, with consumption projected to increase 6 percent. Most of the rise will be in the European Community (EC), the Soviet Union, and the United States. Soybean meal demand is expected to rise in Eastern Europe.

Difficult economic conditions in the EC last year, including high interest rates, slow livestock expansion, and poor crushing margins, limited use. Prices of soybeans in European currencies rose almost 40 percent, thus raising the effective cost to crushers, because of the strong U.S. dollar combined with higher soybean prices. However, European crushing margins are improving as soybean prices decline and the dollar stabilizes, which will stimulate crushing activity in Western Europe following last summer's sharp drop. With some increase in livestock prices expected and improved livestock feeding profitability, European feeding activity and meal use could rise this season. However, the continued strong dollar and the extent of economic recovery may alter the outlook in coming months.

Eastern Europe's use is also forecast to increase but will depend on its ability to finance purchases. Imported feedstuffs are desperately needed to maintain feeding activity. Domestic oilseed production will fall below projected levels, because bad weather and disease have reduced crop prospects. Most of the increase in use and import requirements will come from Poland and Romania.

The Soviet Union may reemerge as a large importer of soybeans and meal this year. To maintain meat consumption, demand for livestock feed will continue strong. Furthermore, reduced grain output will exacerbate already critically short supplies. Soviet soybean output for 1981/82 has fallen below planned levels because of heavy rains in the far east, a major growing area. The Soviet Union has reportedly purchased 500,000 tons of U.S. soybeans and has formed agreements with Brazil and Argentina for a total of 1 million tons of soybeans and 500,000 tons of meal from Brazil. Additional meal shipments are expected from the Netherlands.

The United States will also expand use. Slightly improved prospects for livestock profitability should stimulate meal use here, raising meal consumption about 5 percent after last year's 10-percent decline.

Global consumption of imported soybean oil is also forecast to increase. Soybean oil has been selling at a discount relative to palm oil in recent months. Oil imports by India are projected to rise 2.2 percent because of prospects for only marginal growth in the domestic crop. Soybean oil imports are expected to increase to 690,000 tons in 1981/82, up from 625,000 last year. However, the actual outcome of India's peanut and rapeseed harvests will be crucial to import requirements.

Increased output will allow China to expand its domestic oil supplies. China's oil imports may not increase if expected rises in peanut and rapeseed output materialize. The rapeseed crop could rise 60 percent from last year.

Soviet imports could significantly influence world oil trade. Soviet sunflower oil may be in short supply again this year because of only a modest production gain over last year. In addition, cottonseed oil output will decline because of a moderate drop in cotton production.

#### U.S. Export Availabilities Large

Total U.S. supplies of soybean oil will reach a record level in 1981/82. Soybean supplies will be near record levels, while soybean meal supplies will increase about 6 percent.

Competitive prices should increase U.S. soybean exports to 22.86 million metric tons, as meal and oil exports recapture some of their market share. However, U.S. stocks of soybeans and soybean oil are still expected to rise 31 percent and 4 percent, respectively. [Jan Lipson (202) 447-9160]

#### Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the December *Agricultural Outlook* comes off press.

##### November

- 23 Farm Labor
- 25 Peanut Stocks & Processing  
Sugar Market Statistics
- 30 Agricultural Prices  
Commercial Fertilizers

##### December

- 1 Poultry Slaughter  
Dairy Products
- 3 Egg Products
- 10 Crop Production
- 11 Milk Production
- 15 Cattle on Feed  
Potato Stocks
- 18 Cold Storage
- 21 Catfish  
Eggs, Chickens & Turkeys
- 22 Small Grains  
Hogs & Pigs
- 23 Livestock Slaughter  
Peanut Stocks & Processing
- 24 Sugar Market Statistics

To start receiving any of these reports, send your name, address, and zip code to: SRS-Crop Reporting Board, USDA, Room 5829-South Bldg., Washington, D.C. 20250. Ask for the report (s) by title.



## General Economy

The emerging conflict between stimulative fiscal policy and restrictive monetary policy is contributing to uncertainty about the economy's performance in 1982. The Federal Reserve Board has indicated that the 1982 target ranges for monetary growth will be one percentage point lower than in 1981. Thus, money and credit will likely continue tight next year.

Strong economic growth will be difficult to sustain under these conditions because strength in one period would return interest rates to record levels, weakening growth and lowering interest rates in subsequent periods. This "stop-and-go" pattern will probably continue until inflation and inflationary expectations are permanently reduced. Once this occurs, a given monetary target would permit more real growth.

### Are High Interest Rates Inflationary?

Tight money and credit policies produce high interest rates, which do combat inflation despite contrary appearances. Some businessmen and economists believe that high interest rates are inflationary because they add to business costs. Since product prices generally reflect costs, higher interest rates cause higher prices. This is no doubt true when viewed from an individual firm's perspective. From a national perspective, however, tight money causes a reduction in total

business activity. The resulting layoffs and higher unemployment reduce final consumer demand, putting downward pressure on prices. The dampening effect of lower aggregate demand tends to offset the upward cost pressure.

High unemployment also places downward pressure on wage demands, further offsetting the cost-push pressure from higher interest rates. The net result is a lower price level than without tight money. Current examples include: the price rebates on autos, the slowing of price increases in housing, and lower price increases for raw industrial inputs (including agricultural products).

### Labor Markets: Key To Reducing Inflation

Labor costs constitute about two-thirds of total production costs in the economy. Thus, moderating wage demands (and increasing productivity) is necessary for easing inflation in the long run. In 1982, several major collective bargaining agreements are due to be renegotiated, which will help set price trends for the next 2 to 3 years. Most of the industries affected negotiated their current labor contracts in 1979, when unemployment was low and inflation rising. As a result, those contracts contained large wage increases plus generous cost-of-living adjustments (COLAs). The situation in 1982 is expected to be just the opposite, with unemployment higher and inflation declining.

Under these slack economic conditions, wage demands are expected to moderate substantially. This would help reduce inflation, price expectations, and interest rates, thus encouraging real growth to accelerate going into 1983. If wage demands are not offset by increases in labor productivity, the economy could experience prolonged slow growth and high unemployment combined with high inflation and high interest rates. Labor negotiations to monitor in 1982 cover the following industries:

- First quarter: oil refineries, trucking
- Second quarter: apparel, construction, electrical, fruit and vegetable processing, rubber
- Third quarter: autos, construction equipment, electrical, farm equipment, meat packing

### Monetary Aggregates Growing at Different Rates

Rapid evolution in financial markets is complicating the task of combating inflation with money and credit policies. Growth of desirable, interest-bearing alternatives to checking accounts have obscured measurements of the money supply, traditionally the sum of cash plus checking accounts.

The recent modest decline in short-term interest rates has occurred during a time of sharply divergent growth rates in the various measures of money. In particular, M1-B—currency plus checkable deposits, adjusted for shifts into NOW accounts—has grown at a 1.7 percent annual rate since the fourth quarter of 1980. This is well below the 1981 target range of 3.5 to 6.0 percent. In contrast, the broader M2—which consists of M1-B, overnight loans (repurchase agreements), dollar deposits in European banks, money market mutual funds, and small time deposits—has grown at an annual rate of 10.5 percent. This is above the 1981 target range of 6 to 9 percent. An even broader measure, M3, has grown at a rate of 13.4 percent, well above the target range of 6.5 to 9.5 percent.

The main reason for the diverging growth rates of these measures is the continuing public preference for and availability of checking account substitutes. For example, money market mutual funds have grown at an annual rate of over 150 percent since the fourth quarter of last year. This has undoubtedly altered the relationship between aggregate economic activity and the various measures of the money supply. Furthermore, since there are no reserve requirements for these funds, the Federal Reserve's ability to control M2 has been reduced. Because of the difficulty in controlling M2 and M3 without further restricting M1-B, the Federal Reserve Board may begin to place less emphasis on these broader measures of money.

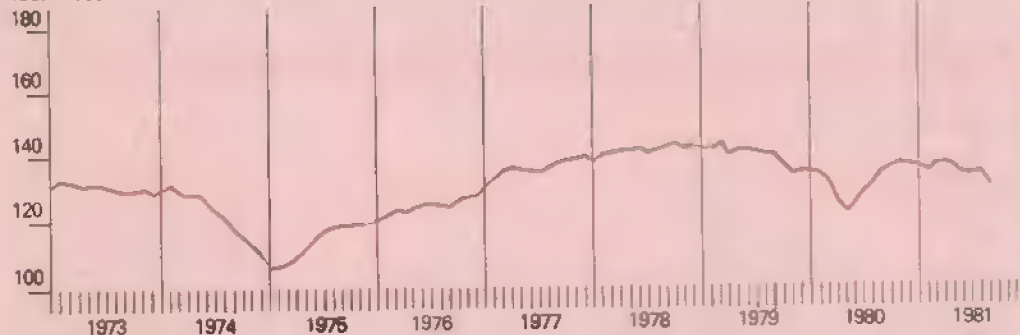
In recent months, the Fed has attempted to boost the growth of M1-B by sharply increasing the growth of bank-owned reserves. However, because of weakness in money demand due to the stagnant economy, M1-B has not responded. Thus, if the Fed continues on this course of trying to bring M1-B within its target range, interest rates will likely continue downward in the short-term. *(Paul T. Prentice (202) 447-2317)*



# General Economic Indicators

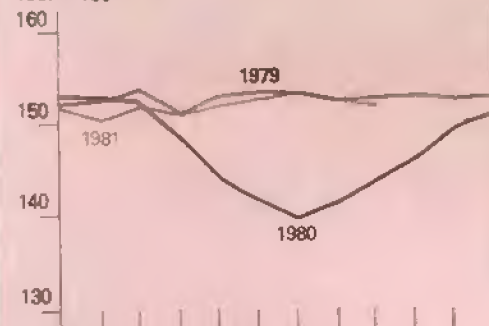
## Composite Leading Economic Indicators

1967 = 100



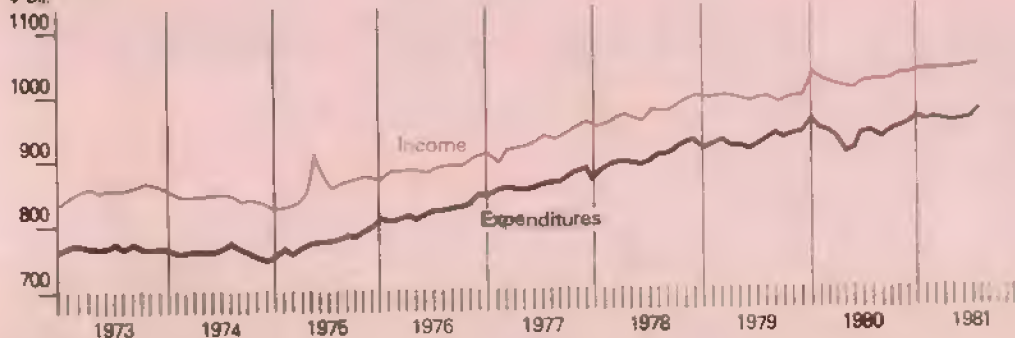
## Industrial Production

1967 = 100



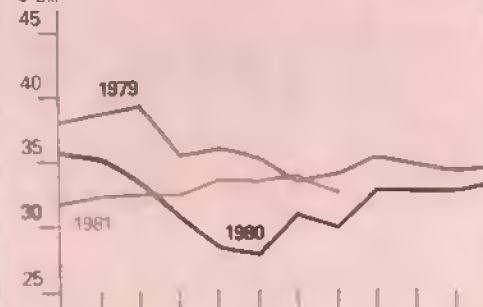
## Disposable Income and Consumption Expenditures<sup>1,7</sup>

\$ bil.



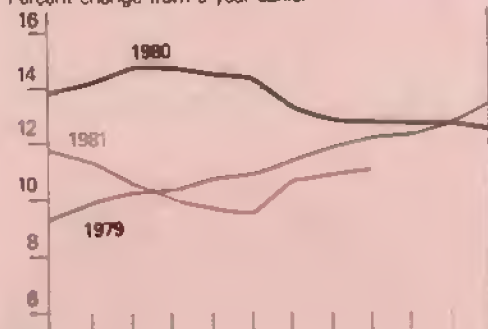
## Manufacturers' Durable Goods Orders<sup>2</sup>

\$ bil.



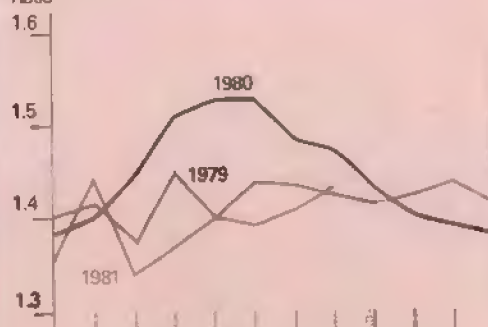
## Consumer Price Index

Percent change from a year earlier



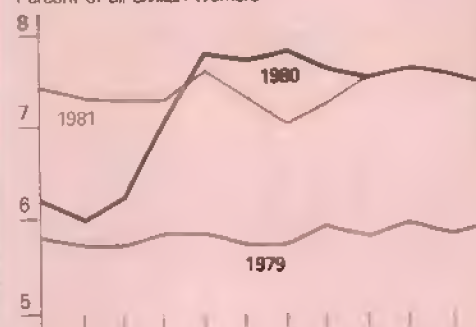
## Inventory/Sales<sup>3</sup>

Ratio



## Unemployment<sup>4</sup>

Percent of all civilian workers



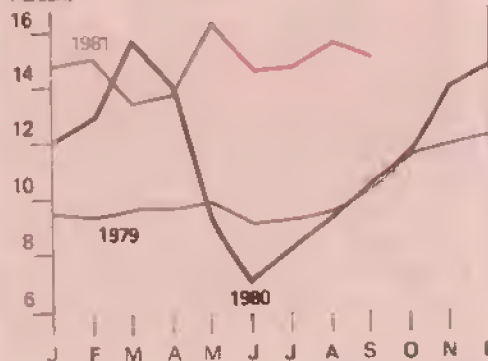
## Money Supply (M1-B)<sup>5</sup>

Percent



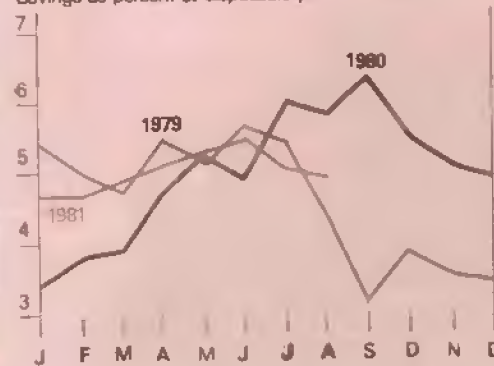
## Treasury Bill Rate

Percent



## Savings Rate<sup>6,7</sup>

Savings as percent of disposable personal income



<sup>1</sup>Billions of 1972 dollars, seasonally adjusted at annual rates. <sup>2</sup>Billions of 1967 dollars. (Current dollars deflated by seasonally adjusted producers price index for capital goods). <sup>3</sup>Manufacturing and trade, seasonally adjusted at annual rates. <sup>4</sup>Seasonally adjusted. <sup>5</sup>Annual rate of change in 3-month moving average.

<sup>6</sup>Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. <sup>7</sup>Estimate for latest month. Sources are the U.S. Department of Commerce, the U.S. Department of Labor, and the Board of Governors of the Federal Reserve System.



## Food and Marketing

### MARKETING COST UPDATE

In 1981, the marketing bill—a measure of the costs of processing, distributing, and retailing U.S. farm foods—is expected to total \$197 billion, an increase of 10.3 percent from last year. The rise is based on continuing increases in each of the major components. On the other hand, the farm value of food will climb only moderately, as large supplies of most foods—especially red meats and poultry—are dampening upward pressure on farm prices. Preliminary figures for the farm value and consumer expenditures are \$88 and \$285 billion, respectively.

Last year, consumer expenditures for domestically produced farm food totaled \$260 billion, up \$23 billion from 1979. Of this \$260 billion, \$81 billion represented farm value, with the marketing bill accounting for the rest. Thus, marketing costs accounted for 68 percent of U.S. food expenditures in 1980, up slightly from the 1969-79 average of 67 percent. Labor costs rose 10.5 percent last year from 1979, packaging costs 14.2 percent, and fuel and power costs 17.8 percent.

The farm value was up only \$3.4 billion from 1979, an increase of only 4.4 percent. The gain in farm value was held down chiefly because farm prices for meat and poultry products showed little or no increase. These two commodity groups account for about 48 percent of the total farm value.

### Components of the Marketing Bill

	1972	1977	1978	1979	1980	1981 <sup>1</sup>
\$ billion						
Total marketing bill . . . . .	82.4	134.3	144.9	159.9	178.6	197.0
Labor <sup>2</sup> . . . . .	36.6	58.4	65.3	71.6	79.1	87.8
Packaging . . . . .	8.9	15.2	16.3	18.3	20.9	22.4
Transportation <sup>3</sup> . . . . .	6.1	9.8	10.3	11.7	13.9	15.7
(rail and truck)						
Fuel and Power . . . . .	2.5	5.6	6.2	7.3	8.6	10.3
Corporate Profits . . . . .	4.0	8.0	9.0	9.9	11.0	11.7
(before taxes)						
Other <sup>4</sup> . . . . .	24.3	37.3	37.8	41.1	45.1	49.1

<sup>1</sup> Preliminary. <sup>2</sup> Includes supplements to wages and salaries such as pensions and health insurance premiums. Also includes imputed earnings of proprietors, partners, and family workers not receiving stated remuneration. <sup>3</sup> Does not include local hauling charges. <sup>4</sup> Includes business taxes, depreciation, rent, advertising, interest, and numerous other costs.

### Labor

Labor costs, by far the largest component of the marketing bill, made up 44 percent of the total in 1980. Increases in labor costs reflect higher hourly earnings, increases in supplemental payments such as Social Security and other benefit costs, and increases in processing and retailing employment.

In 1980, hourly earnings for food industry workers increased 9.5 percent. Even when rising supplementary wages are included in the labor cost, 1980 marks the second year in a row that food industry hourly wages have failed to keep pace with inflation. Over the first 9 months of 1981, hourly earnings were up 10.1 percent above the same period in 1980.

The 1981 increase in labor costs will also include wage gains due to COLA (cost-of-living adjustment) clauses in labor contracts. COLA clauses now cover 5.8 million (60 percent) of union workers in the private sector. Contracts with COLA provisions have in the past called for smaller wage increases than those without COLAs. The contracts without COLA clauses also tend to be of shorter duration. Generally speaking, the larger the bargaining unit, the more likely its contract will have a COLA provision. Also, workers in manufacturing industries are more likely to be covered than workers in the nonmanufacturing sector.

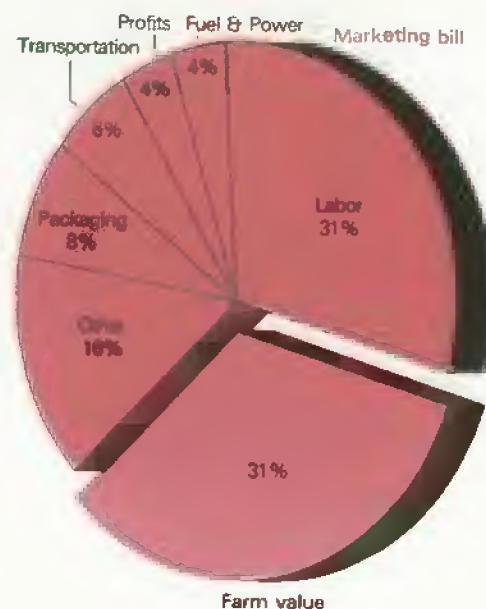
Over the first 6 months of 1981, the average first-year wage increase in bargaining agreements covering more than 1,000 workers in the private nonfarm sector was 11.3 percent, with a 9.2-percent annual change over the life of the contract. During the first 9

months of 1981, total hourly earnings in the food industry rose 10.8 percent. This includes the manufacturing, wholesale, and retail sectors and reflects changes in supplemental pay as well as hourly earnings.

### Packaging

Behind 1980's 14.2-percent increase in packaging costs were gains of 19.6 percent for plastic resins, 11.2 percent for tin cans, 12.1 percent for glass containers, and 16.1 percent for paperboard. The increase in packaging costs is expected to moderate this year as paperboard supplies are larger and petroleum for producing plastic resins is adequate. Over the first 9 months of 1981, the cost of packaging was 7.6 percent higher than the year-earlier average.

### Components of Retail Food Prices

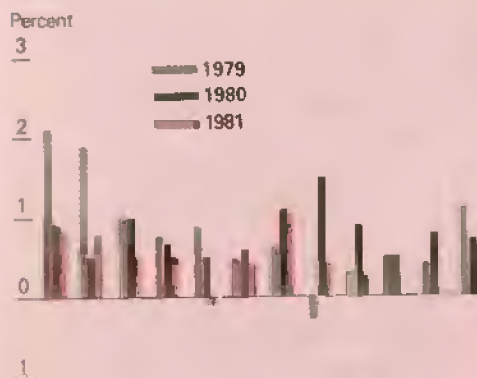


For domestic farm foods purchased by civilian consumers for consumption both at home and away from home, 1981 estimated

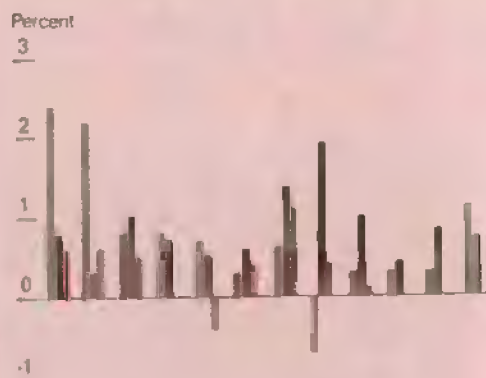


# Food and Marketing Indicators

**CPI: Total Food** <sup>○</sup>



**CPI: Food at Home** <sup>○</sup>



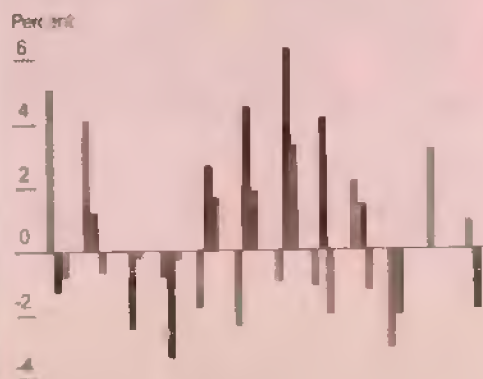
**CPI: Food Away from Home** <sup>○</sup>



**Farm Food Market Basket, Retail Price**



**Farm Value**



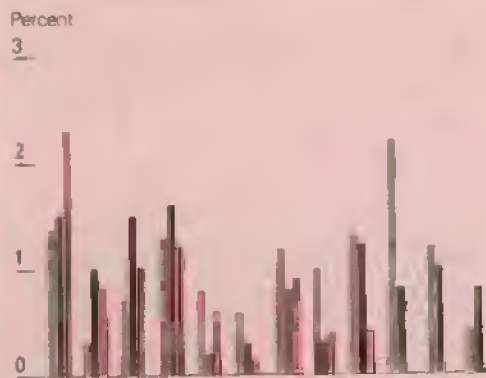
**Farm-to-Retail Spread**



**Imported Food and Fishery Products**



**Marketing Cost Index**



**Labor Cost**



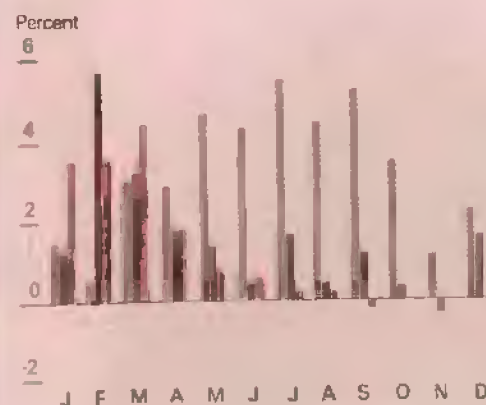
**Packaging Cost**



**Rail Freight Rates**



**Energy Rates**



<sup>○</sup>CPI unadjusted.

All series expressed as percentage change from previous month.

### Energy

Energy costs continue to rise faster than any other component of the marketing bill. In 1980, fuel and power costs increased 17.8 percent, as natural gas and electricity prices increased 33.2 and 19.0 percent, respectively. This high rate of increase continued in the first quarter of 1981, as OPEC price increases were passed through and some energy prices were decontrolled. Prices have remained relatively stable since the first quarter but averaged 19.5 percent above a year ago during the first 9 months of the year.

### Transportation

Higher rates for rail and truck transportation pushed the cost of transporting food up 18.8 percent to \$13.9 billion in 1980. Rail freight rates climbed 18.5 percent between 1979 and 1980. The outlook for 1981 is for continued sharp increases as previous cost rises are incorporated into higher rate structures. The outlook could change as a slowing economy and deregulation in the transportation industry have a dampening effect on shipment volume and rate increases. Transportation costs for 1981 are expected to rise slightly less than in 1980, with a prospective increase of about 13 percent.

### Corporate Profits

In 1980, the before-tax profits-to-sales ratio of food manufacturers rose slightly above its 1979 level. The ratio of profit to sales for the food retailing industry was unchanged for the third straight year. Over the first 6 months of 1981, profit ratios for food manufacturers stayed near last year's levels. Food retailers' profit ratios also remained at the 1980 average in the first quarter.

### Other Costs

The "other" category of the marketing bill includes depreciation, interest, repairs, and rent. Costs in this category are expected to increase at the general inflation rate in 1981. Although interest rates have risen sharply over the last 2 years and are a major concern to the food industry, they still account for a relatively small portion of total marketing costs. [Dave Harvey (202) 447-6860]



## Inputs

### THE LEASING OPTION:

#### Farm Equipment Leases Up Sharply

More and more farmers are leasing their equipment instead of buying. A recent survey of 131 leasing companies indicates that the value of their outstanding agricultural leases rose 141 percent between 1979 and 1980.<sup>1</sup> According to this survey, irrigation units are the most common type of farm equipment leased, followed by tractors and harvesting equipment.

Rising machinery prices, loan rates, and income tax brackets for some farmers make leasing attractive. The Economic Recovery Tax Act of 1981 grants advantages to corporations and banks that purchase rental equipment, a situation fostering desirable leasing terms for farmers.

Since leasing requires no downpayment, it frees that working capital for defraying the rapidly rising costs of production items such as fertilizer, pesticides, and machinery and repair costs. Because the IRS classifies lease payments as fully deductible business expenses, leasing increases the farmer's after-tax cash flow over the entire term of the lease. With competition in the leasing market on the rise, lessors often pass some of their savings in investment tax credits, depreciation, and interest deductions to the lessee in the form of lower lease payments.

Financial and operating leases are the two types currently in use. There are no aggregate data specifying the extent to which each type is transacted in the farm sector. The costs associated with both operating and financial leases are tax-deductible. However, the short period of use usually involved with an operating lease makes the lower capital investment much more important than any tax advantages. With financial leases, which entail longer-run use of equipment, the farmer carefully weighs the tax differences between leasing and ownership.

#### For the Short Term . . . Operating Leases

Operating leases are made for the short term, usually less than a year. For this reason, rates on an operating lease are often set on an hourly, daily, or weekly basis.

Besides offering flexibility, operating leases free lessees from the fixed costs of ownership, such as taxes, insurance, interest, and depreciation. Such costs per unit of time can be excessive if the equipment is only used for a very short part of the year, as is often the case with items such as cotton pickers and cornheads. Although under an operating lease the lessee is responsible for variable costs, including fuel and routine maintenance, he does not have to pay for repairs. The lessor incorporates fixed ownership costs into the lease payment, but the amount a farmer pays in this way—when leasing for short periods of time—is often less than his costs of ownership would be.

The outlook for operating leases appears promising. Should the farm sector become more dependent on export demand, total demand for farm output is likely to show more volatility. In order to add flexibility to their production schedules, farmers may need to use some farm machinery part-time through operating leases.

The expansion in individual farm size requires additional equipment. With part-time use through an operating lease, the farmer can avoid adding to the long-term debt he may already have incurred in purchasing additional farmland.

<sup>1</sup> Some of the information in this article is based on survey results reported in an article by Adair, Penson, and Duncan that appeared in the June 1981 issue of *Economic Review*, Federal Reserve Bank of Kansas City.



### For the Longer Term . . . Financial Leases

Financial leases are usually extended for between 3 and 4 years, and the lessee is contractually bound for the entire term of the lease. Financial leases are especially attractive because the payments are fully tax deductible, whereas with purchase loans, only the depreciation and interest portions of payments are tax deductible. When buying, the farmer receives a 10-percent investment tax credit, which directly reduces his total tax bill. For farmers with higher tax liabilities, this credit declines in significance while the tax deduction on total lease payments becomes more significant.

Although financial leases often carry a higher implicit interest cost than comparable loans, the tax revisions under the Economic Recovery Tax Act of 1981 have reduced the after-tax costs relative to purchase loans. The revisions have extended the maximum term of a lease from one-half of the useful life of the equipment to 90 percent of its useful life and have eliminated the limit on lease payments.

For example, the extension of the maximum term has allowed lease payments to correspond to the amortization of principal and interest, which are fully tax deductible. Previously, the tax laws had limited the lease term to prevent it from serving as a disguised purchase.

Eliminating the limit on lease payments has allowed farmers to amortize repayment of the principal faster. Because under a lease contract these repayments are fully tax deductible, the lessee can realize larger tax savings during the early part of the lease when the net present value is highest. This option can be advantageous to farmers in high tax brackets, even if they have an adequate cash flow to purchase the equipment. In addition, the variable interest rates on Production Credit Association loans mean much uncertainty about interest payments. By locking interest charges into a fixed rate, financial leases eliminate this uncertainty.

The outlook for financial leasing also appears favorable. The consolidation of farms into larger operations, as well as an increase in absentee owners with high off-farm incomes, tends to increase the average tax bracket of many farmers. While the Economic Recovery Tax Act of 1981 should slow this trend, it should still increase the tax advantages of financial leases. The continued

### Types of Equipment Leased by the Various Lessors, 1980

Items Leased	Banks	Type of Lessor	
		Captive	Independent
		percent of items leased	
Tractors . . . . .	5	25	17
Autos . . . . .	2	0	0
Trucks . . . . .	3	0	7
Irrigation equipment . . . . .	45	0	23
Grain storage and handling equipment . . . . .	12	1	10
Harvesting equipment . . . . .	14	19	6
Livestock buildings and equipment . . . . .	1	1	10
Livestock . . . . .	0	25	21
Implements and other machinery . . . . .	10	13	5
Non-production items . . . . .	9	13	1

volatility of interest rates at a high level should likewise enhance farmers' desire for the fixed-payment privilege financial leases offer.

#### Incentives for the Lessors

For the lessor, there are many advantages to leasing instead of selling. The implicit rate of return on a lease often exceeds the effective rate of return on a loan. Lessors can benefit from an investment tax credit on equipment purchased for leasing, and they can claim normal depreciation. Also, after a financial lease expires lessors can often sell the equipment at more than book value.

Lessors of farm machinery are primarily independent commercial leasing companies, bank-affiliated lessors, participation lessors, and captive lessors affiliated with manufacturers of farm equipment.

The independent commercial leasing companies, which traditionally have not been heavily involved in farm equipment leasing, generate their own business. They often retain agents who locate customers. To ensure a sufficient volume of business to compensate for their high fixed costs, most commercial leasing companies lease the more expensive types of farm machinery, such as tractors and combines.

Participating lessors engage in joint loans, usually with small country banks. They provide expertise in exchange for a servicing fee, while the country bank originates the lease. The participating lessor often holds a minimum of 25 percent of the lease. Small local banks have become very receptive to such arrangements because leasing can sometimes

provide them a higher rate of return than a loan. Leasing also allows them to provide financing that may exceed the permissible limit on a comparable loan. With greater experience in the intricacies of leasing, small country banks should generate many more leasing contracts.

Lessors affiliated with banks have increased in number for the same reasons as participating lessors. Many of their lessees are regular customers, so the risk sustained by the bank on financial leases is comparable with that for loans. The favorable rate of return on leases should be attractive to bank-affiliated lessors.

Manufacturers' captive lessors may be more concerned with generating sales for the parent company than with the rate of return on the leased equipment investment. The extent of their leasing contracts, therefore, tends to run countercyclical to equipment demand, which is closely related to net farm income. As farm equipment sales pick up, captive lessors should be less pressured to generate sales through leases.

Results of a survey of 131 leasing companies indicate that captive lessors generated the greatest net lease value in 1980 with \$336 million, or 54 percent of the total, followed by independent lessors with \$187 million, and banks with \$105 million. The survey also found that bank-affiliated lessors had the longest average term, 6.6 years for all leases, compared with 5.4 years for independent lessors and 4.5 years for captive lessors. [William Serletis (202) 447-7340]



## Storage and Transportation

### Rail Rates: Some Up, Some Down

The Interstate Commerce Commission approved a 1.4-percent rate increase effective October 1. This is the third cost-justified increase for 1981, and another is expected at the beginning of 1982. These increases now total 8.4 percent above December 1980, but railroads have not elected to impose all of the authorized raises. For example, unit train rates (shipments of 50 cars or more) have not been raised. Rates on cotton shipments remaining on a single line from the West to the Southeast have climbed less than the general rate increases—ranging from 4.0 to 5.5 percent.

Railroads have also offered a number of specific reductions in grain rates. The lower rates often require shippers to use railroad-owned cars and are guaranteed to be in effect for only 30 to 60 days. If harvest activity or increased grain sales should require use of surplus jumbo covered-hopper cars (about 22,000 railroad-owned jumbo hoppers and possibly as many as 18,000 privately leased or owned jumbo hoppers remain idle), railroads will let these low or "rusty wheel" rates expire.

With pricing freedom under the Staggers Rail Act of 1980, rates may continue volatile and cause local, short-run changes in traditional grain-marketing patterns.

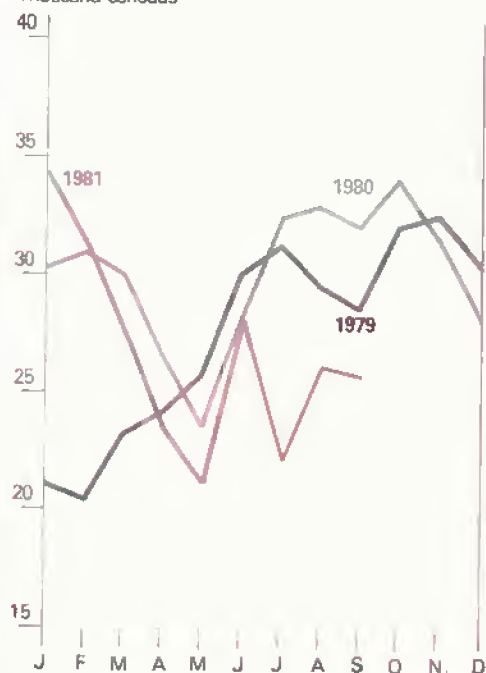
### Seaway Tolls To Rise

The Saint Lawrence Seaway Development Corporation and the Saint Lawrence Seaway Authority of Canada have agreed to increase tolls for 1982, with additional raises in 1983. While revisions in tolls must be approved by both U.S. and Canadian Governments, the proposed schedule will likely become effective before the 1982 shipping season. The new schedule contains lockage charges, which were not previously assessed, and applies to all vessels, whether loaded or in ballast. For grain cargoes of 25,000 metric tons carried by vessels entering in ballast and traveling the entire Seaway, the per bushel charges would be:

- Corn—2.3 cents a bushel in 1981, 2.7 cents in 1982; and 2.9 cents in 1983.
- Wheat and soybeans—2.5 cents a bushel in 1981; 2.9 cents in 1982; and 3.2 cents in 1983.

### Railcar Loadings Running Well Below Capacity

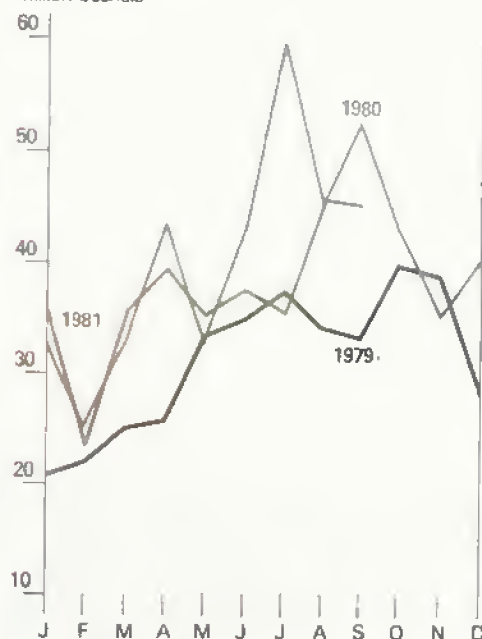
Thousand carloads



Weekly average railcar loadings of grain and soybeans.

### Summer Barge Loadings Sharply Below Last Year

Million bushels



Average weekly loadings of grain and soybeans.

Charges of these magnitudes will likely divert some wheat exports from the Great Lakes to Pacific Coast ports. Similarly, some corn and soybeans produced in Ohio, Illinois, and Indiana may leave through Atlantic and Gulf ports instead of the Great Lakes. Because general rail rates are expected to continue upward and the fuel tax applied to domestic water movements increased from 6 to 8 cents a gallon on October 1, 1982, the degree of diversion will probably not be large for wheat and should be only slightly greater for corn and soybeans.

### Grain Shipments Remain Down

During the first 9 months of 1981, rail shipments of grain and soybeans averaged 10 percent below a year earlier. Railroads should be able to increase weekly volume by 15 percent to meet harvest or other needs.

Grain shipments by barge during the first 9 months averaged 20 percent less than a year earlier. Barges should be able to expand weekly volume by more than 25 percent during the fourth quarter. [T.Q. Hutchinson (202) 447-8487]





## Consumer Demand and the Agricultural Economy

Two years of sluggish economic growth accompanied by disappointing farm incomes and prices have focused attention on the interdependency between agriculture and the rest of the economy, particularly consumer demand for food. Consumer prosperity or adversity boosts or depresses farm income—a seemingly straightforward proposition, yet one that is difficult to measure.

Why should the effect of consumer incomes on farm prices and incomes be difficult to determine? After all, as their incomes rise or fall, consumers might be expected to make corresponding shifts in their purchases of high-cost foods, and these adjustments would change demand and prices for both livestock and crops.

Part of the answer is that there are so many forces simultaneously determining farm prices. The total impact of consumer demand on farm prices combines effects from changes in 1) consumer incomes, 2) consumer tastes, 3) prices of food products relative to one another, and 4) prices of food products relative to nonfood items. Each effect

works through a series of markets—retail, wholesale, processor, and farm—before raising or lowering farm prices. In each market, other supply and demand forces—such as interest rates, labor costs, export demand, and crop sizes—help determine prices.

### Total Effect Significant

In one approach to cutting through the complexity, researchers have constructed economic models to measure the effects of changing incomes. These models estimate that farm income and prices climb significantly with gains in consumer incomes. Zeitner<sup>1</sup> finds, for example, that (all other things being equal) a 10-percent increase in disposable consumer income translates into a \$6 billion change in farm income at 1981 levels. This is nine times more than the income boost resulting from a 100-million-bushel increase in corn or soybean exports, and it's five and a half times the boost from a 10-percent decline in corn yields.

<sup>1</sup> Randy Zeitner, unpublished simulations with the Food and Agricultural Policy Analysis System, Economic Research Service, August 1981.

Using a different approach, Lamm<sup>2</sup> estimates that, in general, a 1-percent increase in consumer income raises farm prices by 1.35 percent, with 80 percent of the gain coming in the first year. Thus, the effects of changes in consumer income on farm prices and income are significant; predicting and identifying these effects enhances the accuracy of price forecasts.

### Short-Run Timing

The connection between consumer demand and farm prices is obscured because farm products pass through a series of markets in which prices change at different speeds. Farm prices change first, and—along with marketing costs, which take the largest part of the food dollar—generally foreshadow changes in retail prices. This suggests that retail prices react passively to farm prices, ignoring consumer demand. Yet complete models of the economy yield strong effects of consumer income changes on farm income and prices. What explains this apparent contradiction?

First, commodity markets for livestock and crops are spot markets, meaning that prices are determined independently for each transaction. Prices change within a day, or even within an hour. Such volatility of prices decreases as the product moves through each successive market from the farm to retail outlets. At the end of the chain, grocery store prices change slowly. Prices move within a week, a month, or several months. How then can changes in consumer behavior in stores where prices move slowly be reflected in commodity markets in which prices may rise, fall, and rise again the same day?

If consumers spend less during recessions, certain foods—particularly meat—move through stores more slowly. Replacement orders slow. The reduction in orders passes through the chain of markets to the commodity markets, depressing demand and reducing farm prices. If other forces are not offsetting, the decline in farm prices will then work its way back through the chain of markets. Supply and demand forces work on both the quantity and price of products; in the food markets, quantity can adjust before price. Consumer resistance can pressure commodity markets.

<sup>2</sup> R. McFall Lamm, Jr., *Aggregate Food Demand and the Supply of Agricultural Products*, Technical Bulletin Number 1656, Economics and Statistics Service, July 1981.



### Long-Run Patterns

Prices in commodity markets will determine future supplies, as producers adjust production to profits and losses. If prices drop below costs, production will decline over time. If costs drop rapidly so that producers still profit at lower prices, output may expand—broilers over the past two decades being a good example.

In the last 20 years, Americans have altered their diets in response to income growth, changing production costs, and possibly changing tastes. The Nation has subtracted eggs and animal fats from its per capita diet, while adding vegetables, vegetable oil, and poultry. Per capita use of sugars and sweeteners, particularly in soft drinks, has increased substantially, while coffee, tea, and cocoa consumption dropped. Red meat consumption defies generalization because it fluctuates as hog and cattle producers build and liquidate herds in the well-known cycles of those industries.

Per capita consumption of all red meats rose 8 percent over the past two decades, a summary statistic that hides more than it reveals. Between 1960 and the two peaks in 1971 and 1976, consumption rose 16 percent but then dropped back by the end of the decade. Considering beef alone (retail-cut basis), consumption rose a fifth overall; but at the peak in 1976 it had risen by nearly half.

The ups and downs in beef consumption reflect the cattle cycle. As producers liquidated herds in response to low cattle prices in the mid-1970's, consumers benefited from large supplies and low prices. Once the cattle herds were down and prices rose, consumers ate less beef. Although speculatively linked to changes in consumer tastes for beef, fluctuations in consumption are also consistent with the response to supply and consequent price changes.

Taste changes may be a euphemism for health-related food choices. A recent USDA food survey reported that two-thirds of households had adjusted diets in the past 3 years to improve health or nutrition, with the most frequent changes being to reduce calories and sugar intake. National averages, however, show that per capita consumption of calories and sugars are increasing.

In contrast, national averages are consistent with actions of the 28 percent of households who made dietary changes and were concerned about reducing fat intake and the 23 percent reducing cholesterol. Household consumption cutbacks for beef, eggs, pork, butter, and shellfish and increases for poultry, fish, and vegetable oil reflect these concerns.

In the past two decades, per capita egg consumption has dropped nearly a fifth, and animal fats (including butter) by over 40 percent. Meanwhile, use of vegetable fats and oils and poultry rose about 80 percent.<sup>3</sup>

Poultry illustrates the complexity of disentangling tastes from price responses. The index of poultry prices rose 78 percent over 20 years, while that for beef and veal rose 193 percent. Technological developments and integration substantially raised productivity in the broiler industry, explaining the slower rise in broiler prices. Increased consumption of poultry is consistent with both the lower price of poultry relative to beef and consumers' desire to reduce fat and cholesterol intake. Similarly, the drop in animal fats and oils, eggs, and dairy products, while consistent with a desire to avoid fats and cholesterol, could also reflect a switch to meat and poultry protein as incomes rose.

### Food Expenditures and Incomes

Food expenditures increase with household income, but not proportionately. As incomes rise, the large food budget becomes a smaller proportion of the still bigger overall budget. Food marketers find it profitable to spend more to reach high-income families, but food expenditures in the overall economy rise most rapidly from income gains in the lower brackets, where a larger share of each extra dollar goes to food.

As incomes rose during the last 20 years, food expenditures as a percent of disposable income (after taxes) dropped from 20 to 16 percent, while total expenditures rose. Expenditures for food at home dropped steadily from 16 to 12.2 percent of disposable income, while expenditures for food away from home fluctuated around 4 percent until the mid-1970's, when they began a steady rise—reaching 4.4 percent in 1980. Very likely, women's increased participation in the labor force contributed to this rise.

<sup>3</sup>Judy Jones and Jon Weimar, "A Survey of Health-Related Food Choices," *National Food Review*, Economics and Statistics Service, Fall 1980.

The percentage of income devoted to food varies significantly over the range of household incomes. During 1972-74, the period of the most recent Consumer Expenditure Survey of the Bureau of Labor Statistics, food as a percent of before-tax income varied from nearly 40 percent for households receiving \$5,000 or less to 10 percent in households with \$20,000 or more. The lowest income category contained 18 percent of the population; the highest, 16 percent. For the remaining two-thirds, food expenditures accounted for 14 to 23 percent of gross household income.

Households receiving under \$8,000 and those with over \$15,000 each made up a third of the population, with the affluent third spending 37 percent of all food dollars and the bottom third spending only 29 percent. The others spent proportionately with their incomes. [Lorna Aldrich (202) 447-2317]

### Upcoming Situation Reports

USDA's Economic Research Service will issue the following situation reports this month:

Title	Summary Released
Cotton & Wool	Nov. 23
Livestock & Poultry	Dec. 1
Dairy	Dec. 3
Sugar & Sweetener	Dec. 4
Tobacco	Dec. 9
World Crop Production*	Dec. 10
Ag Supply & Demand*	Dec. 11
Fertilizer	Dec. 16
World Agriculture	Dec. 17
Ag Finance Outlook	Dec. 18

All reports reviewed by the World Agricultural Outlook Board (WAOB). Copies of the full reports will be available a week to 10 days after the summary is released. Reports can be obtained by writing to: ERS Publications, Room 0054-South Building, USDA, Washington, D.C. 20250. \*These reports, released by the WAOB, are issued in full on the date indicated.



# Statistical Indicators

## Summary Data

### Key Statistical Indicators of the Food and Fiber Sector

	1980				1981				
	II	III	IV	Annual	I	II	III	IV f	Annual f
Prices received by farmers (1977=100) . . . . .	125	139	144	134	144	142	137	136	140
Livestock and products . . . . .	134	148	149	144	143	143	145	149	145
Crops . . . . .	116	130	139	125	145	141	129	122	134
Prices paid by farmers, (1977=100)									
prod. items . . . . .	135	140	144	138	147	150	149	152	150
Prod. items, int., taxes, and wages . . . . .	137	141	145	140	149	151	151	153	151
Farm income <sup>1</sup>									
Cash receipts (\$ bil.) . . . . .	132	139	142	136	143	146	145	140-144	142-146
Livestock (\$ bil.) . . . . .	64	69	70	67	70	69	70	70-74	68-72
Crops (\$ bil.) . . . . .	68	70	71	69	73	77	75	69-73	72-76
Total gross farm income (\$ bil.) <sup>2</sup> . . . . .	146	152	155	150	158	165	168	164-168	162-166
Production expenses (\$ bil.) . . . . .	129	132	136	131	139	142	143	143-147	140-144
Net farm income (\$ bil.) . . . . .	17	20	20	20	18	23	25	20-24	20-24
Net cash income (\$ bil.) <sup>3</sup> . . . . .	29	33	33	32	31	32	30	25-29	28-32
Market basket (1967=100)									
Retail cost . . . . .	233.7	242.7	249.2	238.8	253.9	255.3	260.3	263	258
Farm value . . . . .	226.7	253.9	255.7	240.3	249.3	246.7	254.3	252	251
Spread . . . . .	237.8	236.2	245.3	238.0	256.6	260.3	263.8	269	263
Farm value/retail cost (%) . . . . .	36	38	38	37	36	36	36	36	36
Retail prices (1967=100)									
Food . . . . .	250.5	258.2	264.4	254.6	270.5	273.0	277.2	281	276
At home . . . . .	246.6	255.6	262.0	251.5	267.2	268.4	272.5	276	271
Away-from home . . . . .	264.7	269.6	275.4	267.0	283.9	289.4	293.6	300	292
Agricultural exports (\$ bil.) <sup>4</sup> . . . . .	9.7	9.5	11.7	40.5	12.6	10.5	9.9	12.5	44.7
Agricultural imports (\$ bil.) <sup>4</sup> . . . . .	4.3	4.0	4.5	17.3	-4.7	4.3	3.9	4.6	17.4
Livestock and products									
Total livestock and products (1974=100) . . . . .	112.0	108.7	110.9	109.6	109.8	113.3	111.5	110.4	111.2
Beef (mil. lb.) . . . . .	5,251	5,384	5,586	21,470	5,553	5,428	5,525	5,500	22,006
Pork (mil. lb.) . . . . .	4,299	3,756	4,251	16,431	4,073	3,879	3,600	3,900	15,452
Veal (mil. lb.) . . . . .	89	95	104	379	100	94	105	110	409
Lamb and mutton (mil. lb.) . . . . .	77	72	81	310	85	77	78	87	327
Red meats (mil. lb.) . . . . .	9,716	9,307	10,022	38,590	9,811	9,478	9,308	9,597	38,194
Broilers (mil. lb.) . . . . .	2,923	2,759	2,685	11,089	2,814	3,070	3,055	2,800	11,739
Turkeys (mil. lb.) . . . . .	523	705	701	2,303	393	552	760	730	2,435
Total meats and poultry (mil. lb.) . . . . .	13,162	12,771	13,408	51,982	13,018	13,100	13,123	13,127	52,368
Eggs (mil. dz.) . . . . .	1,425	1,432	1,483	5,806	1,449	1,426	1,427	1,475	5,780
Milk (bil. lb.) . . . . .	34.0	32.2	31.0	128.4	32.3	35.2	33.0	31.8	132.3
Choice steers, Omaha (\$/cwt.) . . . . .	64.65	71.15	65.51	67.04	61.99	66.68	66.53	65-68	65-66
Barrows and gilts, 7 markets (\$/cwt.) . . . . .	31.18	46.23	46.44	40.04	41.13	43.63	50.42	46-49	45-46
Broilers, 9-city wholesale (cts./lb.) . . . . .	41.1	53.3	49.9	46.8	49.3	46.7	47.0	44-45	46-48
Turkeys, N.Y., wholesale (cts./lb.) . . . . .	54.3	68.3	73.0	63.6	61.3	63.6	62.7	55-57	60-62
Eggs, Gr. A large, N.Y. (cts./dz.) . . . . .	57.0	70.3	76.9	66.6	72.6	69.1	73.0	75-78	72-74
Milk, all at farm (\$/cwt.) . . . . .	12.60	12.87	13.93	13.00	13.97	13.50	13.50	14.00-14.25	13.70-13.80

<sup>1</sup> Quarterly cash receipts and expenses are seasonally adjusted at annual rates. <sup>2</sup> Includes net change in farm inventories. <sup>3</sup> Excludes inventory adjustment and non-cash income and expenses. Represents cash available for capital expenditures and operator income. <sup>4</sup> Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. f = forecast.

# Farm Income

## Cash receipts from farming

	1980					1981							
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
	\$ Mil.												
Farm marketing and CCC loans <sup>1</sup>	11,028	11,837	15,759	14,273	13,201	13,292	10,216	10,322	9,288	9,877	11,421	12,311	11,553
Livestock and products	5,719	5,940	6,605	5,723	5,705	6,297	5,427	5,939	5,492	5,643	5,768	5,832	5,558
Meat animals	3,419	3,647	4,198	3,370	3,305	3,780	3,282	3,408	3,019	3,240	3,308	3,384	3,166
Dairy products	1,385	1,347	1,411	1,393	1,455	1,501	1,411	1,566	1,570	1,608	1,547	1,502	1,480
Poultry and eggs	816	845	897	871	851	939	662	878	809	697	810	845	813
Other	99	101	99	89	94	77	72	87	94	98	103	101	99
Crops	5,309	5,897	9,154	8,550	7,496	6,995	4,789	4,383	3,796	4,234	5,653	6,479	5,995
Food grains	996	1,033	1,179	915	932	956	766	534	425	529	1,818	2,085	1,260
Feed crops	1,435	1,338	1,396	2,107	2,021	2,261	1,152	1,172	976	1,074	1,399	1,619	1,572
Cotton (lint and seed)	87	78	702	1,150	850	673	438	165	6	4	5	3	196
Tobacco	456	548	405	275	538	255	81	7	34	9	0	232	562
Oil-bearing crops	808	848	3,221	1,705	1,209	1,557	1,055	954	782	957	879	979	709
Vegetables and melons	659	830	883	518	453	544	506	653	630	775	722	690	761
Fruits and tree nuts	484	659	774	829	699	405	368	351	287	361	476	456	483
Other	384	563	594	1,051	794	444	423	547	656	525	354	415	452
Government payments	53	91	162	213	293	239	174	106	101	59	49	55	97
Total cash receipts <sup>2</sup>	11,081	11,928	15,921	14,486	13,494	13,531	10,390	10,428	9,389	9,936	11,470	12,366	11,650

<sup>1</sup> Receipts from loans represent value of loans minus value of redemptions during the month. <sup>2</sup> Details may not add because of rounding.

## Farm Production<sup>1</sup>

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981 <sup>2</sup>
	1967=100									
Farm output	110	112	106	114	117	119	122	129	122	132
All livestock products <sup>3</sup>	107	105	106	101	105	106	106	109	113	115
Meat animals	109	108	110	102	105	105	104	106	111	111
Dairy products	102	98	99	98	103	105	104	105	110	113
Poultry and eggs	109	106	106	103	110	112	118	127	128	132
All crops <sup>4</sup>	113	119	110	121	121	129	131	144	131	150
Feed grains	112	115	93	114	120	126	135	148	123	152
Hay and forage	104	109	104	108	102	107	113	117	107	113
Food grains	102	114	120	142	141	132	125	144	157	184
Sugar crops	127	112	104	130	128	116	116	107	114	122
Cotton	187	175	158	112	142	191	145	194	150	209
Tobacco	88	88	101	110	108	98	102	77	90	102
Oil crops	131	155	127	153	132	175	182	219	171	203
Cropland used for crops	98	103	106	108	109	111	108	112	114	114
Crop production per acre	115	116	104	112	111	117	121	129	115	132

<sup>1</sup> For historical data and indexes, see *Changes in Farm Production and Efficiency* USDA Statistical Bulletin 657. <sup>2</sup> Preliminary indexes for 1981 based on October 1981 Crop Production report and other releases of the *Crop Reporting Board*, ERS. <sup>3</sup> Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. <sup>4</sup> Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross production to compute farm output.

## Farm marketing indexes (physical volume)

	Annual			1980	1981					
	1978	1979	1980	Aug	Mar	Apr	May	June	July	Aug
	1977=100									
All commodities	102	106	108	103	106	101	119	125	129	109
Livestock and products	100	100	103	99	106	99	103	105	111	97
Crop	104	113	114	109	107	104	142	151	149	122



Cash receipts<sup>1</sup> from farm marketings, by States, January-August

State	Livestock and Products		Crops <sup>2</sup>		Total <sup>2</sup>	
	1980	1981	1980	1981	1980	1981
			\$Mil.			
NORTH ATLANTIC						
Maine . . . . .	190.6	153.7	77.1	140.5	267.7	294.2
New Hampshire . . . . .	47.4	50.3	16.6	16.9	64.0	67.2
Vermont . . . . .	229.9	244.4	17.6	22.1	247.5	266.5
Massachusetts . . . . .	79.8	89.3	100.7	105.0	180.6	194.3
Rhode Island . . . . .	8.7	6.7	9.8	10.5	18.5	17.2
Connecticut . . . . .	109.9	123.5	78.7	86.4	188.6	209.9
New York . . . . .	1,111.2	1,211.9	390.8	499.4	1,501.9	1,711.3
New Jersey . . . . .	79.1	90.0	208.0	212.2	287.1	302.2
Pennsylvania . . . . .	1,255.8	1,416.6	452.9	464.1	1,708.7	1,879.7
NORTH CENTRAL						
Ohio . . . . .	888.8	993.7	1,404.9	1,664.1	2,293.5	2,657.8
Indiana . . . . .	1,038.9	1,159.9	1,488.7	1,730.3	2,527.6	2,890.2
Illinois . . . . .	1,468.5	1,637.7	3,788.1	3,824.6	5,256.7	5,462.3
Michigan . . . . .	726.2	789.7	776.7	919.5	1,501.9	1,709.2
Wisconsin . . . . .	2,474.5	2,598.2	518.7	686.1	2,993.2	3,284.3
Minnesota . . . . .	2,134.0	2,360.9	1,795.0	2,204.3	3,929.0	4,565.2
Iowa . . . . .	3,507.1	3,794.1	2,781.8	3,631.8	6,288.9	7,425.9
Missouri . . . . .	1,382.8	1,488.5	1,076.5	1,079.7	2,459.1	2,568.2
North Dakota . . . . .	495.4	489.5	965.7	958.7	1,461.2	1,448.2
South Dakota . . . . .	1,219.5	1,236.6	472.3	527.0	1,691.8	1,763.6
Nebraska . . . . .	2,131.7	2,217.1	1,540.7	1,628.2	3,672.4	3,845.4
Kansas . . . . .	2,392.8	2,336.0	1,555.6	1,513.1	3,948.4	3,849.1
SOUTHERN						
Delaware . . . . .	149.9	175.4	46.4	48.8	196.3	224.2
Maryland . . . . .	403.4	463.8	156.9	177.1	560.4	640.9
Virginia . . . . .	565.7	620.2	239.4	270.9	805.0	891.1
West Virginia . . . . .	102.6	111.9	33.0	28.6	135.6	140.5
North Carolina . . . . .	885.4	1,042.6	792.0	1,004.8	1,677.4	2,047.4
South Carolina . . . . .	256.4	278.3	397.2	419.5	653.6	697.8
Georgia . . . . .	950.5	1,109.2	522.3	578.2	1,472.9	1,687.4
Florida . . . . .	625.3	648.6	2,122.4	2,265.0	2,747.7	2,913.6
Kentucky . . . . .	845.7	870.4	597.3	616.1	1,443.0	1,486.5
Tennessee . . . . .	561.7	601.9	294.8	335.1	856.5	937.0
Alabama . . . . .	718.1	795.3	260.0	262.7	978.1	1,058.0
Mississippi . . . . .	567.6	612.7	445.2	424.3	1,012.8	1,037.0
Arkansas . . . . .	943.7	1,034.1	628.4	740.1	1,572.1	1,774.3
Louisiana . . . . .	282.6	298.8	419.8	479.3	702.3	778.1
Oklahoma . . . . .	1,485.7	1,488.6	706.6	699.5	2,192.3	2,188.1
Texas . . . . .	3,326.9	3,355.3	2,268.3	2,663.6	5,595.2	6,018.9
WESTERN						
Montana . . . . .	347.9	341.2	346.0	429.8	693.9	771.0
Idaho . . . . .	537.5	556.7	496.8	764.8	1,034.3	1,321.5
Wyoming . . . . .	267.6	255.7	45.3	54.2	312.9	309.9
Colorado . . . . .	1,439.6	1,434.8	480.7	654.9	1,920.3	2,089.6
New Mexico . . . . .	675.3	578.3	135.8	155.6	811.1	733.9
Arizona . . . . .	539.2	531.1	526.6	595.0	1,065.7	1,126.0
Utah . . . . .	244.3	247.9	74.5	78.9	318.8	326.8
Nevada . . . . .	77.4	74.9	44.6	51.7	122.0	126.6
Washington . . . . .	542.9	616.4	991.8	1,162.5	1,534.7	1,779.0
Oregon . . . . .	351.7	373.7	560.3	706.8	912.0	1,080.5
California . . . . .	2,707.6	2,890.7	4,538.5	4,490.7	7,246.1	7,381.4
Alaska . . . . .	2.7	3.0	3.2	3.2	5.9	6.1
Hawaii . . . . .	55.4	57.4	238.0	238.0	293.4	295.4
UNITED STATES	43,432.1	45,956.1	37,928.1	42,324.3	81,360.8	88,280.4

<sup>1</sup> Estimates as of the first of current month. <sup>2</sup> Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

# Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct p
1977=100										
<b>Prices Received</b>										
All farm products . . . . .	115	132	134	142	142	142	141	137	134	129
All crops . . . . .	106	116	125	135	143	137	136	129	120	118
Food grains . . . . .	122	147	165	175	171	160	159	157	156	155
Feed grains and hay . . . . .	101	114	132	147	156	151	147	136	124	120
Feed grains . . . . .	104	117	135	150	160	156	152	141	127	122
Cotton . . . . .	91	96	118	125	119	117	116	107	96	105
Tobacco . . . . .	109	118	125	128	134	134	141	145	149	144
Oil-bearing crops . . . . .	93	103	102	114	120	116	117	105	96	93
Fruit . . . . .	148	144	127	135	138	127	109	125	122	123
Fresh market <sup>1</sup> . . . . .	157	151	129	138	142	132	110	130	126	127
Commercial vegetables . . . . .	105	110	113	111	130	119	132	122	117	115
Fresh market . . . . .	106	109	110	138	132	116	133	119	126	127
Potatoes <sup>2</sup> . . . . .	104	92	128	119	208	218	226	204	148	118
Livestock and Products . . . . .	124	147	144	150	141	146	146	145	146	140
Meat animals . . . . .	134	166	156	161	150	158	157	155	155	146
Dairy products . . . . .	109	124	135	141	139	138	138	138	142	144
Poultry and eggs . . . . .	106	111	112	123	111	114	118	116	116	112
<b>Prices paid</b>										
Commodities and services, interest, taxes, and wage rates . . . . .	108	123	139	142	150	161	150	151	151	151
Production items . . . . .	109	125	140	143	150	150	149	149	149	147
Feed . . . . .	98	110	123	135	141	139	136	131	126	123
Feeder livestock . . . . .	140	185	177	182	165	165	159	164	168	162
Seed . . . . .	105	110	118	121	144	144	144	144	144	144
Fertilizer . . . . .	100	108	134	136	147	147	147	147	147	144
Agricultural chemicals . . . . .	94	96	102	104	113	113	113	113	113	113
Fuels & energy . . . . .	105	137	188	190	216	214	214	214	214	214
Farm & motor supplies . . . . .	104	115	134	140	146	146	147	148	148	149
Autos & trucks . . . . .	106	117	123	122	143	144	145	145	145	146
Tractors & self-propelled machinery . . . . .	109	122	136	142	146	155	155	155	159	159
Other machinery . . . . .	108	119	132	137	143	148	148	148	152	152
Building & fencing . . . . .	108	118	128	130	133	134	134	135	135	135
Farm services & cash rent . . . . .	107	117	129	129	142	142	142	142	142	142
Interest payable per acre on farm real estate debt . . . . .	118	144	179	179	195	195	195	195	195	195
Taxes on farm real estate . . . . .	100	107	114	114	119	119	119	119	119	119
Wage rates (seasonally adjusted) . . . . .	107	117	127	128	135	135	135	135	135	135
Production items, interest, taxes, and wage rates . . . . .	109	125	140	144	151	152	151	150	150	149
Prices received (1910-14=100) . . . . .	526	602	615	661	650	649	646	628	610	591
Prices paid, etc. (Parity Index) (1910-14=100) . . . . .	747	850	955	981	1,035	1,039	1,037	1,040	1,042	1,038
Parity ratio <sup>3</sup> . . . . .	70	71	64	66	63	62	62	60	59	57

<sup>1</sup> Fresh market for noncitrus and fresh market and processing for citrus. <sup>2</sup> Includes sweetpotatoes and dry edible beans. <sup>3</sup> Ratio of index of prices received to index of prices paid, taxes, and wage rates. p = preliminary.



# Prices received by farmers, U.S. average

	Annual*			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct p
<b>Crops</b>										
All wheat (\$/bu.)	2.82	3.51	3.88	4.19	3.95	3.70	3.62	3.62	3.65	3.66
Rice, rough (\$/cwt.)	9.29	9.05	11.07	10.90	13.30	11.90	12.80	12.10	10.90	10.20
Corn (\$/bu.)	2.10	2.36	2.70	2.99	3.24	3.17	3.14	2.87	2.55	2.42
Sorghum (\$/cwt.)	3.43	3.91	4.67	5.36	5.12	4.95	4.84	4.55	4.07	3.99
All hay, baled (\$/ton)	49.87	56.20	66.72	75.80	77.60	69.80	65.70	63.90	62.90	64.00
Soybeans (\$/bu.)	6.28	6.86	6.75	7.68	7.42	7.10	7.16	6.71	6.21	6.08
Cotton, Upland (cts./lb.)	56.2	58.0	71.3	75.3	72.3	71.1	70.2	65.0	58.0	63.5
Potatoes (\$/cwt.)	3.87	3.15	4.78	4.42	7.91	8.36	8.86	8.60	6.00	4.38
Dry edible beans (\$/cwt.)	18.56	19.57	24.83	25.30	34.50	36.80	35.40	26.70	22.90	23.80
Apples for fresh use (cts./lb.)	16.1	14.2	17.1	14.5	10.5	10.5	10.4	15.9	17.0	16.8
Pears for fresh use (\$/ton)	267	276	325	219	370	395	179	203	187	218
Oranges, all uses (\$/box) <sup>1</sup>	4.70	3.34	3.26	2.89	4.94	4.93	3.22	3.44	2.78	2.37
Grapefruit, all uses (\$/box) <sup>1</sup>	2.35	2.97	2.73	4.14	4.07	2.81	2.91	2.69	2.96	4.18
<b>Livestock</b>										
Beef cattle (\$/cwt.)	48.50	66.10	62.40	62.10	59.00	60.80	59.70	59.00	58.90	55.80
Calves (\$/cwt.)	59.10	88.70	76.80	73.90	68.80	66.20	62.00	62.40	61.80	60.40
Hogs (\$/cwt.)	46.60	41.80	38.00	47.20	40.90	47.40	49.30	49.20	48.60	44.50
Lambs (\$/cwt.)	62.80	66.70	63.60	64.30	62.50	65.00	59.50	58.20	50.40	49.90
All milk, sold to plants (\$/cwt.)	10.60	12.00	13.00	13.70	13.50	13.40	13.40	13.40	13.80	14.00
Milk, manuf. grade (\$/cwt.)	9.65	11.10	12.00	12.70	12.70	12.50	12.40	12.40	12.60	12.90
Broilers (cts./lb.)	26.3	25.9	27.7	31.4	28.2	29.2	30.4	29.2	26.8	25.9
Eggs (cts./doz.) <sup>2</sup>	52.2	58.3	56.3	59.0	56.3	57.1	58.4	59.3	64.6	63.8
Turkeys (cts./lb.)	43.6	41.1	41.3	49.1	39.0	41.4	42.7	40.7	38.3	33.3
Wool (cts./lb.) <sup>3</sup>	74.5	86.3	88.1	89.4	103.0	106.0	102.0	94.6	89.0	89.6

<sup>1</sup> Equivalent on-tree returns. <sup>2</sup> Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. <sup>3</sup> Average local market price, excluding incentive payments. \*Calendar year averages. p = preliminary.

## Producer and Consumer Prices

### Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1980	1981							
	1980	Sept	Feb	Mar	Apr	May	June	July	Aug	Sept
1967=100										
Consumer price index, all items	246.8	251.7	263.2	265.1	266.8	269.0	271.3	274.4	276.5	279.3
Consumer price index, less food	244.0	248.6	260.4	262.3	264.2	267.0	269.5	272.7	274.9	278.2
All food	254.6	261.1	270.8	272.2	272.9	272.5	273.6	276.2	277.4	278.0
Food away from home	267.0	271.4	284.7	286.1	288.2	289.3	290.6	292.4	293.7	294.8
Food at home	261.5	258.9	267.3	268.6	268.7	267.7	268.7	271.5	272.8	273.2
Meats <sup>1</sup>	248.8	257.8	256.4	254.4	251.0	252.3	254.2	259.6	262.0	263.4
Beef and veal	270.3	277.5	272.3	270.3	267.4	270.3	271.1	274.5	275.9	277.1
Pork	209.1	222.7	223.5	221.6	217.4	217.3	221.2	231.5	235.3	238.1
Poultry	190.8	205.2	203.7	201.6	196.8	194.7	196.8	204.8	202.0	199.7
Fish	330.2	335.8	355.0	358.8	359.7	353.2	352.1	356.9	356.8	362.6
Eggs	169.7	179.9	188.2	180.5	184.3	170.5	172.1	174.2	177.6	188.8
Dairy products <sup>2</sup>	227.4	230.5	242.1	242.6	243.5	243.8	243.8	244.2	243.8	244.3
Fats and oils <sup>3</sup>	241.2	243.6	267.3	268.9	270.1	270.7	269.6	269.0	269.2	268.5
Fruits and vegetables	246.7	257.4	267.3	278.2	281.9	276.8	278.1	284.4	286.1	281.6
Fresh	252.6	269.6	278.1	293.9	296.4	284.4	285.2	294.0	295.8	286.9
Processed	242.5	246.3	257.8	263.3	268.5	270.9	272.8	276.4	277.9	278.3
Cereals and bakery products	246.4	250.3	265.3	266.7	268.3	270.0	271.5	272.4	272.6	274.3
Sugar and sweets	341.3	361.1	385.4	383.2	375.8	367.1	361.3	360.0	361.3	361.4
Beverages, nonalcoholic	395.8	403.9	411.9	412.2	414.4	412.3	412.8	410.3	413.1	413.7
Apparel commodities less footwear	167.8	171.8	169.6	172.7	174.0	173.3	172.5	171.2	174.3	178.0
Footwear	190.3	193.2	194.9	197.4	199.3	201.0	200.4	199.0	200.0	202.4
Tobacco products	202.5	204.5	212.3	212.5	213.3	218.2	219.1	219.3	219.9	221.7
Beverages, alcoholic	186.3	189.6	195.9	197.1	197.8	199.1	199.8	200.5	201.4	202.5

<sup>1</sup> Beef, veal, lamb, pork, and processed meat. <sup>2</sup> Includes butter. <sup>3</sup> Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1980	1981					
	1978	1979	1980 p	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
Finished goods <sup>1</sup> . . . . .	194.6	216.1	246.8	251.4	268.5	269.6	269.9	271.3	271.2	271.1
Consumer foods . . . . .	206.8	226.3	239.4	247.4	251.9	252.8	253.1	256.9	255.5	255.5
Fresh fruit . . . . .	213.5	232.6	237.4	267.3	221.3	227.7	209.4	223.9	220.8	237.9
Fresh and dried vegetables . . . . .	200.1	201.0	219.0	243.6	317.0	291.2	279.1	278.3	267.1	242.7
Eggs . . . . .	158.6	176.5	171.0	188.4	196.2	165.0	174.6	185.1	180.7	193.2
Bakery products . . . . .	201.3	221.7	247.7	249.0	264.1	265.4	266.8	267.8	268.4	272.0
Meats . . . . .	209.6	240.6	235.8	249.6	234.5	235.8	239.7	250.4	252.4	250.0
Beef and veal . . . . .	202.2	252.2	260.2	266.7	244.6	251.9	251.8	257.4	252.4	254.3
Pork . . . . .	219.1	205.0	196.7	221.4	200.3	203.8	214.4	236.3	234.4	236.2
Poultry . . . . .	194.0	188.6	193.3	227.6	188.1	197.5	199.9	205.2	202.6	190.1
Fish . . . . .	313.0	383.8	371.0	367.5	387.1	386.4	386.6	382.9	367.2	362.6
Dairy products . . . . .	188.4	211.2	230.7	234.1	245.8	245.0	245.6	245.5	245.6	246.0
Processed fruits and vegetables . . . . .	202.6	221.9	228.9	231.9	258.7	260.1	263.3	266.5	267.6	270.3
Refined sugar <sup>2</sup> . . . . .	108.3	116.3	214.4	228.9	166.6	149.6	152.0	150.9	153.3	137.8
Vegetable oil and products . . . . .	209.4	223.5	233.2	240.3	241.6	238.6	236.6	240.4	238.0	237.2
Consumer finished goods less foods . . . . .	183.7	208.2	247.9	254.6	276.1	276.1	277.0	277.1	277.5	277.4
Beverages, alcoholic . . . . .	148.2	161.4	175.6	179.8	188.1	188.9	189.5	190.0	191.1	190.4
Soft drinks . . . . .	211.6	227.1	259.1	267.0	290.8	294.6	295.7	298.5	297.5	297.4
Apparel . . . . .	152.4	160.4	172.2	174.7	182.1	182.4	185.0	186.2	186.5	187.2
Footwear . . . . .	183.0	218.0	233.2	235.7	241.1	241.1	241.0	241.9	242.3	242.0
Tobacco products . . . . .	198.5	217.7	245.5	247.6	268.4	268.4	268.4	268.5	268.6	274.2
Intermediate materials <sup>3</sup> . . . . .	215.5	242.8	280.2	275.9	306.8	306.7	307.1	308.6	309.9	309.6
Materials for food manufacturing . . . . .	202.3	223.6	263.7	193.5	263.1	259.0	263.9	262.6	261.7	254.7
Flour . . . . .	141.6	172.0	187.6	193.5	195.3	194.3	193.8	190.2	189.4	190.7
Refined sugar <sup>4</sup> . . . . .	109.3	119.3	210.5	222.6	188.1	171.7	181.9	162.4	165.2	140.6
Crude vegetable oils . . . . .	219.2	243.7	202.6	219.4	193.6	187.0	186.4	199.0	186.6	178.7
Crude materials <sup>5</sup> . . . . .	240.1	282.2	304.2	331.8	336.3	334.4	334.3	336.2	333.2	327.7
Foodstuffs and feedstuffs . . . . .	215.3	247.2	259.1	276.7	263.5	260.6	264.2	267.0	261.8	253.4
Fruits and vegetables <sup>6</sup> . . . . .	216.5	229.0	238.5	266.0	285.2	273.9	258.6	265.0	257.3	251.9
Grains . . . . .	182.5	214.8	239.0	260.6	264.7	257.7	257.1	257.4	242.7	227.0
Livestock . . . . .	220.1	260.3	252.7	266.8	246.6	251.8	263.0	266.5	262.0	257.3
Poultry, live . . . . .	199.8	194.3	202.1	241.0	195.4	207.2	210.0	215.3	210.3	196.7
Fibers, plant and animal . . . . .	193.4	209.9	271.1	295.2	274.2	258.3	259.6	251.3	232.5	206.5
Milk . . . . .	219.7	250.1	271.2	275.5	287.2	283.6	285.0	284.3	285.0	287.3
Oilseeds . . . . .	224.1	245.5	249.2	278.7	302.4	301.3	291.2	294.9	289.7	273.2
Coffee, green . . . . .	378.2	416.2	430.3	403.5	401.1	305.2	266.7	261.4	286.9	286.9
Tobacco, leaf . . . . .	191.5	207.7	n.a.	n.a.	235.0	235.7	235.7	247.5	254.7	262.5
Sugar, raw cane . . . . .	190.2	209.8	413.0	457.6	274.9	224.2	262.6	271.5	253.9	211.7
All commodities . . . . .	209.3	235.6	268.6	274.6	293.4	294.1	294.5	296.0	296.2	295.5
Industrial commodities . . . . .	209.4	236.5	274.5	278.8	303.5	304.7	304.7	306.0	307.0	307.2
All foods <sup>7</sup> . . . . .	206.5	266.3	244.5	254.3	251.6	250.3	252.2	255.5	253.7	251.7
Farm products and processed foods and feeds . . . . .	206.6	229.8	244.6	256.5	253.8	252.9	254.1	256.6	253.9	250.0
Farm products . . . . .	212.5	241.4	249.3	267.0	263.3	259.6	260.3	263.1	257.8	251.0
Processed foods and feeds . . . . .	202.6	222.5	241.0	249.8	247.6	248.2	249.7	252.1	250.7	248.4
Cereal and bakery products . . . . .	190.3	210.3	235.9	238.3	253.9	256.3	256.0	257.2	256.6	258.0
Sugar and confectionery . . . . .	197.8	214.7	321.2	341.4	284.5	262.8	277.6	269.8	269.1	246.8
Beverages . . . . .	200.0	210.7	232.4	236.2	246.0	247.6	245.5	246.3	246.3	245.6

<sup>1</sup> Commodities ready for sale to ultimate consumer. <sup>2</sup> Consumer size packages, Dec. 1977=100. <sup>3</sup> Commodities requiring further processing to become finished goods. <sup>4</sup> For use in food manufacturing. <sup>5</sup> Products entering market for the first time which have not been manufactured at that point. <sup>6</sup> Fresh and dried. <sup>7</sup> Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a. = not available. p = Preliminary.



# Farm-Retail Price Spreads

## Market basket of farm foods

	Annual			1980 p	1981					
	1978	1979	1980p	Sept	Apr	May	June	July	Aug	Sept
<b>Market basket<sup>1</sup>:</b>										
Retail cost (1967=100) . . . . .	199.4	222.7	238.8	246.2	255.3	254.7	255.9	259.5	260.6	260.8
Farm value (1967=100) . . . . .	205.6	228.1	240.3	258.9	242.2	246.6	251.1	259.1	253.6	250.2
Farm-retail spread (1967=100) . . . . .	195.7	219.6	238.0	238.7	262.9	259.4	258.7	259.7	264.6	267.0
Farm value/retail cost (%) . . . . .	38.2	37.9	37.2	38.9	35.1	35.8	36.3	37.0	36.0	35.5
<b>Meat Products:</b>										
Retail cost (1967=100) . . . . .	206.8	241.9	248.8	257.8	251.0	252.3	254.2	259.6	262.0	263.4
Farm value (1967=100) . . . . .	206.4	234.6	234.0	254.9	219.4	235.1	242.3	256.8	249.2	249.5
Farm-retail spread (1967=100) . . . . .	207.3	250.4	266.1	261.2	288.0	272.4	268.1	262.8	277.0	279.4
Farm value/retail cost (%) . . . . .	53.8	52.3	50.7	53.3	47.2	50.3	51.4	53.4	51.3	51.0
<b>Dairy Products:</b>										
Retail cost (1967=100) . . . . .	185.6	207.0	227.4	230.6	243.5	243.8	243.8	244.2	243.8	244.3
Farm value (1967=100) . . . . .	204.7	234.0	254.9	260.3	271.6	272.2	272.2	272.4	272.6	270.3
Farm-retail spread (1967=100) . . . . .	168.8	183.6	203.5	204.7	219.0	219.1	219.1	219.6	226.9	221.7
Farm value/retail cost (%) . . . . .	51.4	52.6	52.2	52.6	51.9	51.9	52.0	51.9	52.0	51.5
<b>Poultry:</b>										
Retail cost (1967=100) . . . . .	172.9	181.5	190.8	205.2	196.8	194.7	196.8	204.8	202.0	199.7
Farm value (1967=100) . . . . .	202.1	199.4	211.7	243.4	204.1	214.0	222.2	231.1	221.9	204.0
Farm-retail spread (1967=100) . . . . .	144.7	164.2	170.5	168.2	189.7	176.0	172.2	179.3	182.8	195.6
Farm value/retail cost (%) . . . . .	57.5	54.0	54.6	58.3	51.0	54.1	55.5	55.5	54.0	50.2
<b>Eggs:</b>										
Retail cost (1967=100) . . . . .	157.8	172.8	169.7	179.9	184.3	170.5	172.1	174.2	177.6	188.8
Farm value (1967=100) . . . . .	178.9	199.2	190.9	214.4	217.2	182.2	201.7	199.4	200.0	230.8
Farm-retail spread (1967=100) . . . . .	127.3	134.6	139.2	130.0	136.7	153.6	129.3	137.8	145.3	128.1
Farm value/retail cost (%) . . . . .	67.0	68.1	66.5	70.4	69.7	63.2	69.3	67.6	66.6	72.3
<b>Cereal and bakery products:</b>										
Retail cost (1967=100) . . . . .	199.9	220.2	246.4	250.3	268.3	270.0	271.5	272.4	272.6	274.3
Farm value (1967=100) . . . . .	163.9	189.9	221.1	234.1	227.8	221.7	214.8	215.0	211.1	202.1
Farm-retail spread (1967=100) . . . . .	207.3	226.3	261.7	253.7	276.7	280.0	283.2	284.3	285.3	289.3
Farm value/retail cost (%) . . . . .	14.1	14.8	15.4	16.0	14.6	14.1	13.6	13.5	13.3	12.6
<b>Fresh fruits:</b>										
Retail cost (1967=100) . . . . .	230.1	258.5	271.8	298.2	276.3	282.3	286.0	304.6	321.4	320.0
Farm value (1967=100) . . . . .	237.9	237.6	242.7	252.0	202.4	200.2	225.1	224.3	266.0	285.3
Farm-retail spread (1967=100) . . . . .	226.6	267.9	284.8	313.9	309.5	319.1	313.2	340.6	346.3	335.6
Farm value/retail cost (%) . . . . .	32.0	28.5	27.7	27.4	22.0	22.0	24.4	22.3	26.0	27.6
<b>Fresh vegetables:</b>										
Retail cost (1967=100) . . . . .	216.2	222.5	242.2	253.9	319.6	291.7	291.1	295.9	285.5	268.6
Farm value (1967=100) . . . . .	215.7	204.3	215.8	251.0	325.8	293.9	270.8	299.7	300.3	244.8
Farm-retail spread (1967=100) . . . . .	216.5	231.1	254.7	255.3	316.7	290.6	300.6	294.1	278.6	280.8
Farm value/retail cost (%) . . . . .	31.9	29.4	28.5	31.6	32.6	32.2	29.8	32.4	33.6	29.2
<b>Processed fruits and vegetables:</b>										
Retail cost (1967=100) . . . . .	208.7	226.6	242.5	246.3	268.5	270.9	272.8	276.4	277.9	278.3
Farm value (1967=100) . . . . .	221.9	235.3	242.6	242.5	283.2	304.2	310.7	307.9	299.5	298.1
Farm-retail spread (1967=100) . . . . .	205.8	224.7	242.4	247.2	265.3	263.5	264.4	269.4	273.0	273.9
Farm value/retail cost (%) . . . . .	19.3	18.8	18.1	17.8	19.1	20.4	20.6	20.2	19.6	19.5
<b>Fats and oils:</b>										
Retail cost (1967=100) . . . . .	209.6	226.3	241.2	243.6	270.1	270.7	269.6	269.0	269.2	268.5
Farm value (1967=100) . . . . .	257.4	278.0	249.9	261.7	291.6	286.6	278.3	280.5	239.0	224.6
Farm-retail spread (1967=100) . . . . .	191.1	206.4	237.8	236.6	261.8	264.6	266.3	264.6	280.8	285.4
Farm value/retail cost (%) . . . . .	34.1	34.1	28.8	29.8	30.0	29.4	28.7	29.0	24.7	23.2

<sup>1</sup> Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. p = preliminary.

## Farm-retail price spreads

	Annual			1980	1981					
	1978	1979	1980	Sept	Apr	May	June	July	Aug	Sept
<b>Beef, Choice:</b>										
Retail Price <sup>1</sup> (cts./lb.)	181.9	226.3	237.6	244.9	230.9	234.3	238.9	242.9	242.7	243.8
Net carcass value <sup>2</sup> (cts.)	119.3	150.5	155.4	160.1	146.7	155.2	158.4	159.9	154.1	153.9
Net farm value <sup>3</sup> (cts.)	111.1	140.8	145.0	150.0	137.9	145.6	149.2	147.9	142.9	142.8
Farm-retail spread (cts.)	70.8	85.5	92.6	94.9	93.0	88.7	89.7	95.0	99.8	101.0
Carcass-retail spread <sup>4</sup> (cts.)	62.6	75.8	82.2	84.8	84.2	79.1	80.5	83.0	88.6	89.9
Farm-carcass spread <sup>5</sup> (cts.)	8.2	9.7	10.4	10.1	8.8	9.6	9.2	12.0	11.2	11.1
Farm value/retail price (%)	61	62	61	61	60	62	62	61	59	59
<b>Pork:<sup>1</sup></b>										
Retail price <sup>1</sup> (cts./lb.)	143.6	144.1	139.4	150.7	142.7	144.9	146.6	154.9	158.1	159.5
Wholesale value <sup>2</sup> (cts.)	107.7	100.4	98.0	110.6	101.2	101.5	109.5	114.5	113.6	112.7
Net farm value <sup>3</sup> (cts.)	76.6	66.6	63.2	74.1	62.8	66.3	77.5	80.9	80.4	78.3
Farm-retail spread (cts.)	67.0	77.5	76.2	76.6	79.9	78.6	69.1	74.0	77.7	81.2
Wholesale-retail spread <sup>4</sup> (cts.)	35.9	43.7	41.4	40.1	41.5	43.4	37.1	40.4	44.5	46.8
Farm-wholesale spread <sup>5</sup> (cts.)	31.8	33.8	34.8	36.5	38.4	35.2	32.0	33.6	33.2	34.4
Farm value/retail price (%)	53	46	45	49	44	46	53	52	51	49

<sup>1</sup> Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. <sup>2</sup> Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. <sup>3</sup> Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. <sup>4</sup> Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>5</sup> Represents charges made for livestock marketing, processing and transportation to city where consumed.

## Transportation Data

### Rail rates, grain and fruit and vegetable shipments

	Annual			1980	1981					
	1978	1979	1980	Sept	Apr	May	June	July	Aug	Sept
<b>Rail freight rate index<sup>1</sup></b>										
All products (1969=100)	213.0	243.4	285.4	298.5	321.0	321.0	324.3	333.2	333.5	333.6
Farm products (1969=100)	204.9	235.0	271.8	281.1	304.6	304.6	306.8	314.5	315.1	315.5
Grain (Dec. 1978=100)	n.a.	106.9	127.5	132.9	144.0	144.0	145.5	149.5	149.5	150.1
Food products (1969=100)	210.0	239.5	283.7	300.0	323.1	323.1	326.1	333.8	334.8	334.8
Rail carloadings of grain (thou. cars) <sup>2</sup>	25.8	27.5	30.1	25.6	23.5	21.3	28.3	33.2	26.2	32.1
Barge shipments of grain (mil. bu.) <sup>3</sup>	31.3	31.2	36.7	52.3	36.3	39.4	37.4	35.1	45.4	42.8
<b>Fresh fruit and vegetable shipments</b>										
Rail (thou. cwt.) <sup>3,4,5</sup>	915	806	1,218	748	712	873	1,153	644	398	480
Truck (thou. cwt.) <sup>3,4,5</sup>	7,322	7,558	7,594	6,959	7,873	9,717	9,873	8,200	7,318	6,040

<sup>1</sup> Department of Labor, Bureau of Labor Statistics. <sup>2</sup> Weekly average; from Association of American Railroads. <sup>3</sup> Weekly average; from Agricultural Marketing Service, USDA. <sup>4</sup> Preliminary data for 1980. <sup>5</sup> TYPICAL truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds.



# Livestock and Products

## Dairy

	Annual			1980	1981					
	1978	1979	1980	Sept	Apr	May	June	July	Aug	Sept
<b>Milk production:</b>										
Total milk (mil. lb.)	121,461	123,411	128,425	10,364	11,544	12,064	11,828	11,320	11,065	10,650
Milk per cow (lb.)	11,243	11,488	11,875	955	1,063	1,111	1,069	1,039	1,014	974
Number of milk cows (thou.)	10,803	10,743	10,815	10,849	10,865	10,862	10,880	10,898	10,911	10,929
<b>Milk prices, Minnesota-Wisconsin,</b>										
3.5% fat (\$/cwt.) <sup>1</sup>	9.57	10.91	11.88	12.07	12.64	12.61	12.59	12.53	12.47	12.46
Price of 16% dairy ration (\$/ton)	138	156	177	188	197	200	197	192	189	185
Milk-feed price ratio (lb.) <sup>2</sup>	1.53	1.54	1.47	1.39	1.39	1.35	1.36	1.40	1.43	1.48
<b>Stocks, beginning</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	8,626	8,730	8,599	12,904	15,506	17,242	18,160	19,534	20,222	20,508
Commercial (mil. lb.)	4,916	4,475	5,419	6,132	6,016	6,085	6,026	5,921	5,949	5,831
Government (mil. lb.)	3,710	4,254	3,180	6,772	9,490	11,157	12,133	13,613	14,273	14,677
Imports, total equiv. (mil. lb.) <sup>3</sup>	2,310	2,305	2,107	207	186	132	150	250	145	n.a.
<b>USDA net removals:</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	2,743	2,119	8,800	206.5	1,659.6	1,705.8	1,438.8	1,112.8	581.1	444.7
<b>Butter:</b>										
Production (mil. lb.)	994.3	984.6	1,145.3	77.0	116.9	116.2	96.6	84.1	85.0	n.a.
Stocks, beginning (mil. lb.)	184.9	206.9	177.8	306.4	407.4	450.4	473.6	507.5	515.5	515.6
Wholesale price, Grade A Chf. (cts./lb.)	109.8	122.4	139.3	145.1	147.2	147.3	147.5	147.9	148.0	148.5
USDA net removals (mil. lb.)	112.0	81.6	257.0	.7	46.7	48.9	31.4	17.7	12.1	7.7
Commercial disappearance (mil. lb.)	903.5	895.0	878.8	77.3	71.1	70.5	73.7	65.1	75.1	n.a.
<b>American cheese:</b>										
Production (mil. lb.)	2,074.2	2,189.9	2,374.6	179.8	237.5	253.5	243.6	217.9	202.8	n.a.
Stocks, beginning (mil. lb.)	422.1	378.8	406.6	556.5	644.9	725.7	766.1	828.0	881.6	903.5
Wholesale price, Wis. assembly pt. (cts./lb.)	107.1	123.8	133.0	136.9	139.2	138.8	138.8	138.6	139.3	139.7
USDA net removals (mil. lb.)	39.7	40.2	349.7	19.2	70.1	70.2	79.5	75.2	33.3	28.6
Commercial disappearance (mil. lb.)	2,064.7	2,113.1	2,023.9	158.5	165.8	187.9	164.6	143.1	185.0	n.a.
<b>Other Cheese:</b>										
Production (mil. lb.)	1,445.5	1,527.3	1,608.5	137.2	133.7	133.4	142.3	129.2	131.0	n.a.
Stocks, beginning (mil. lb.)	64.0	78.4	105.6	112.7	89.7	92.5	94.2	100.8	98.5	103.2
Commercial disappearance (mil. lb.)	1,655.5	1,730.4	1,827.9	159.9	148.4	144.7	151.7	149.1	142.1	n.a.
<b>Nonfat dry milk:</b>										
Production (mil. lb.)	920.4	908.7	1,160.7	77.3	122.9	135.3	132.6	120.0	114.8	n.a.
Stocks, beginning (mil. lb.)	677.9	585.1	485.2	582.4	633.0	645.3	693.1	733.1	742.6	806.1
Wholesale price, avg. manf. (cts./lb.)	71.4	80.0	88.7	89.7	93.9	93.9	93.9	93.8	93.8	n.a.
USDA net removals (mil. lb.)	285.0	255.3	634.3	33.9	87.4	97.5	102.4	75.7	70.0	59.2
Commercial disappearance (mil. lb.)	658.4	603.1	538.9	76.8	30.6	23.5	30.5	61.6	39.6	n.a.
Frozen dessert production (mil. gal.) <sup>4</sup>	1,173.5	1,152.9	1,167.5	104.0	100.6	104.0	121.0	126.6	114.3	n.a.

<sup>1</sup> Manufacturing grade milk. <sup>2</sup> Pounds of 16% protein ration equal in value to 1 pound of milk. <sup>3</sup> Milk equivalent, fat-solids basis. <sup>4</sup> Ice cream, ice milk, and sherbert.

<sup>5</sup> Domestic sales exceeded purchases. n.a. = not available.

## Wool

	Annual			1980	1981					
	1978	1979	1980	Sept	Apr	May	June	July	Aug	Sept
U.S. wool price, Boston <sup>1</sup> (cts./lb.)	189	218	245	253	278	278	283	283	283	283
Imported wool price, Boston <sup>2</sup> (cts./lb.)	230	257	265	267	285	287	290	291	292	290
<b>U.S. mill consumption, scoured</b>										
Apparel wool (thou. lb.)	102,246	106,533	113,423	7,742	10,791	10,228	12,750	8,389	10,036	n.a.
Carpet wool (thou. lb.)	13,009	10,513	10,655	767	701	775	918	769	958	n.a.

<sup>1</sup> Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. <sup>2</sup> Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1981 is 15.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding. n.a. not available.

# Meat animals

	Annual			1980		1981				
	1978	1979	1980	Sept	Apr	May	June	July	Aug	Sept
<b>Cattle on feed (7-States):</b>										
Number on feed (thou. head) <sup>1</sup>	8,927	9,226	8,454	7,045	6,837	7,030	7,054	6,846	6,451	6,289
Placed on feed (thou. head) <sup>2</sup>	22,593	19,877	18,320	1,736	1,721	1,619	1,313	1,082	1,419	1,825
Marketings (thou. head)	20,297	18,793	17,422	1,457	1,386	1,400	1,439	1,412	1,526	1,432
Other disappearance (thou. head)	1,997	1,856	1,489	73	142	195	82	65	55	86
Beef steer-corn price ratio, Omaha (bu.) <sup>3</sup>	24.8	28.7	25.1	23.2	20.0	20.6	21.4	21.5	23.8	26.0
Hog-corn price ratio, Omaha (bu.) <sup>3</sup>	22.9	18.1	14.6	15.6	11.7	12.9	15.2	15.9	18.1	19.8
<b>Commercial slaughter (thou. head)*</b>										
Cattle	39,552	33,678	33,807	2,925	2,807	2,751	2,922	2,915	2,929	3,018
Steers	18,526	17,363	17,158	1,422	1,426	1,457	1,525	1,453	1,414	1,426
Heifers	11,758	9,725	9,593	875	796	740	813	860	912	935
Cows	8,470	5,923	6,332	560	519	489	515	531	533	582
Bulls and stags	798	639	724	68	66	65	69	72	70	74
Calves	4,170	2,824	2,588	227	212	182	200	228	225	260
Sheep and lambs	5,369	5,017	5,579	488	537	442	459	460	490	570
Hogs	77,315	89,099	96,074	7,908	8,324	7,298	6,963	6,813	6,855	7,612
<b>Commercial production (mil. lb.)</b>										
Beef	24,010	21,261	21,464	1,827	1,811	1,761	1,856	1,818	1,825	1,889
Veal	600	410	379	33	32	30	32	34	33	37
Lamb and mutton	300	284	310	26	29	24	24	24	25	30
Pork	13,209	15,270	16,432	1,335	1,424	1,254	1,201	1,162	1,158	1,288

Doll. per 100 pounds

<b>Market prices</b>										
<b>Slaughter cattle:</b>										
Choice steers, Omaha	52.34	67.75	66.96	69.68	64.92	66.86	68.26	67.86	66.37	65.37
Utility cows, Omaha	36.79	50.10	45.73	46.56	43.95	42.39	42.88	43.78	44.31	42.47
Choice vealers, S. St. Paul	69.24	91.41	75.53	85.00	83.90	84.25	82.88	76.00	77.25	77.30
<b>Feeder cattle:</b>										
Choice, Kansas City, 600-700 lb.	58.78	83.08	75.23	77.60	68.94	65.79	65.12	63.22	65.75	66.16
<b>Slaughter hogs:</b>										
Barrows and gilts, 7-markets <sup>4</sup>	48.49	42.06	40.04	47.24	39.79	42.05	49.04	50.66	50.92	49.68
<b>Feeder pigs:</b>										
S. Mo. 40-50 lb. (per head)	48.16	35.26	30.14	33.25	39.33	36.10	37.88	32.88	38.55	40.23
<b>Slaughter sheep and lambs:</b>										
Lambs, Choice, San Angelo	65.33	68.45	66.64	68.25	63.20	65.38	67.76	64.38	61.62	52.30
Ewes, Good, San Angelo	28.97	32.82	24.68	20.12	26.70	21.81	23.12	26.75	21.12	21.00
<b>Feeder lambs:</b>										
Choice, San Angelo	75.61	77.53	66.36	67.62	61.30	60.69	62.92	66.62	54.56	51.40
<b>Wholesale meat prices, Midwest<sup>5</sup></b>										
Choice steer beef, 600-700 lb.	80.43	101.62	104.44	107.97	99.68	103.32	106.52	107.23	103.90	102.96
Canner and Cutter cow beef	74.61	100.23	92.45	93.75	87.62	83.75	84.58	85.17	88.93	84.82
Pork loins, 8-14 lb.	95.99	91.35	84.87	95.32	85.84	94.16	102.31	105.70	104.88	104.56
Pork bellies 12-14 lb.	62.50	46.00	43.78	54.72	48.58	45.07	55.26	54.74	59.54	60.07
Hams, skinned, 14-17 lb.	86.37	77.04	73.34	83.55	72.68	70.96	78.08	82.88	84.33	84.67

	Annual			1980			1981			
	1978	1979	1980	II	III	IV	I	II	III <sup>1</sup>	IV
<b>Cattle on feed (23-States):</b>										
Number on feed (thou. head) <sup>1</sup>	12,811	12,681	11,713	10,203	9,620	9,965	11,105	9,768	9,570	9,032
Placed on feed (thou. head) <sup>2</sup>	29,073	26,062	24,557	5,640	6,359	7,340	5,154	5,953	5,673	—
Marketings (thou. head)	26,645	24,600	23,183	5,634	5,716	5,677	5,999	5,591	5,930	—
Other disappearance (thou. head) <sup>2</sup>	2,558	2,404	1,982	589	298	523	502	560	281	—
<b>Hogs and pigs (14-States):<sup>6</sup></b>										
Inventory (thou. head) <sup>1</sup>	48,308	51,370	57,130	54,805	54,840	55,160	54,780	50,105	51,205	52,160
Breeding (thou. head) <sup>1</sup>	7,324	8,102	8,055	8,085	7,853	7,422	7,679	7,219	7,105	7,056
Market (thou. head) <sup>1</sup>	40,984	43,268	49,075	46,720	40,987	47,738	47,083	42,886	44,100	45,104
Farrowings (thou. head)	10,602	12,317	11,861	3,356	2,838	2,917	2,434	3,023	3,075	2,735
Pig crop (thou. head)	75,595	87,393	85,915	24,600	20,382	21,211	17,609	23,202	20,153	—

<sup>1</sup> Beginning of period. <sup>2</sup> Other disappearance excluded in 1973; not comparable with 1974 and 1975. <sup>3</sup> Bushels of corn equal in value to 100 pounds liveweight. <sup>4</sup> 220-240 lb. Beginning in January 230-240 lb. <sup>5</sup> Prior to Oct. 1975, Chicago. <sup>6</sup> Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). <sup>7</sup> Intentions. \*Classes estimated.



## Poultry and eggs

	Annual			1980	1981					
	1978	1979	1980	Sept	Apr	May	June	July	Aug.	Sept
<b>Eggs</b>										
Farm production (mil.)	67,300	69,325	69,665	5,724	5,722	5,818	5,563	6,733	5,777	5,613
Average number of layers on farms (mil.)	282	289	287	288	284	282	279	280	281	283
Rate of lay (eggs per layer)	239	240	242	19.9	20.2	20.6	19.9	20.5	20.5	19.9
Cartoned price, New York, grade A large (cts./doz.) <sup>1</sup>	61.7	68.2	66.9	72.8	73.4	66.8	67.1	71.8	73.3	
Price of laying feed (\$/ton)	152	168	188	199	215	217	219	214	207	203
Egg-feed price ratio (lb.) <sup>2</sup>	6.9	6.9	6.0	6.2	6.0	6.2	5.2	5.5	5.7	6.4
<b>Stocks, beginning of period:</b>										
Shell (thou. cases)	39	38	38	28	32	32	25	41	41	21
Frozen (mil. lb.)	29.7	25.3	23.4	30.7	22.3	21.9	22.7	24.2	26.9	27.2
Replacement chicks hatched (mil.)	492	519	484	37.4	46.6	44.3	39.4	31.2	33.1	32.3
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.)	9,883	10,916	11,089	924.6	1,017.9	1,017.6	1,034.7	1,031.2	993.2	—
Wholesale price, 9-city, (cts./lb.)	44.5	44.4	46.8	54.8	44.4	46.3	49.3	50.2	47.3	43.6
Price of broiler grower feed (\$/ton)	169	189	207	222	234	235	234	233	225	222
Broiler-feed price ratio (lb.) <sup>2</sup>	3.1	2.8	2.7	2.9	2.3	2.4	2.5	2.6	2.6	2.4
Stocks, beginning of period (mil. lb.)	29.4	20.1	30.6	30.9	24.8	27.7	26.5	30.1	36.3	33.6
Average weekly placements of broiler chicks, 21 States (mil.)	70.9	76.8	77.9	<sup>3</sup> 72.0	<sup>4</sup> 85.7	<sup>4</sup> 85.5	<sup>4</sup> 84.7	<sup>3</sup> 80.1	<sup>3</sup> 77.4	<sup>3</sup> 76.8
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.)	1,983	2,182	2,303	239.8	149.8	178.3	224.3	249.4	257.9	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	66.7	68.1	63.6	68.3	61.2	63.5	66.2	66.8	61.8	59.5
Price of turkey grower feed (\$/ton)	182	202	223	240	254	255	256	256	250	248
Turkey-feed price ratio (lb.) <sup>2</sup>	4.6	4.1	3.5	3.7	3.0	3.1	3.2	3.3	3.3	3.1
Stocks, beginning of period (mil. lb.)	167.9	175.1	240.0	384.0	220.7	228.7	256.8	327.3	400.8	466.0
Poult hatched (mil.)	157.5	180.0	188.7	8.9	20.5	22.1	21.4	18.6	12.7	8.2

<sup>1</sup> Price of cartoned eggs to volume buyers for delivery to retailers. <sup>2</sup> Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. <sup>3</sup> 19 States as of July 11, 1981. <sup>4</sup> 21 States prior to July 11, 1981.

## Crops and Products

### Feed grains

	Marketing year <sup>1</sup>			1980	1981					
	1978/79	1979/80	1980/81	Sept	Apr	May	June	July	Aug	Sept
<b>Wholesale prices:</b>										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.54	2.81	3.38	3.44	3.53	3.47	3.41	3.41	3.09	2.72
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.00	4.64	5.36	5.61	5.49	5.38	5.23	5.29	4.58	4.16
Barley, feed, Minneapolis (\$/bu.)	1.80	2.16	2.60	2.43	2.51	2.39	2.09	2.26	2.35	2.21
Barley, malting, Minneapolis (\$/bu.) <sup>2</sup>	2.38	2.87	3.64	3.63	3.84	3.80	3.34	2.95	3.15	3.05
<b>Exports:</b>										
Corn (mil. bu.)	2,133	2,433	n.a.	204	187	209	159	148	141	n.a.
Feed grains (mil. metric tons) <sup>3</sup>	60.2	71.7	n.a.	5.8	5.3	6.0	4.6	4.7	4.7	n.a.
	Marketing year <sup>1</sup>			1980				1981		
	1978/79	1979/80	1980/81	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept p
<b>Corn:</b>										
Stocks, beginning (mil. bu.)	1,111	1,304	1,617	6,886	4,857	3,670	1,618	5,857	3,997	2,774
<b>Domestic use:</b>										
Feed (mil. bu.)	4,324	4,519	4,150	1,308	682	979	1,524	1,083	693	850
Food, seed, ind. (mil. bu.)	620	675	750	139	119	272	156	144	135	315
<b>Feed grains:<sup>3</sup></b>										
Stocks, beginning (mil. metric tons)	41.4	46.2	52.4	206.2	144.1	107.9	60.3	172.9	117.6	80.7
<b>Domestic use:</b>										
Feed (mil. metric tons)	135.9	138.7	124.8	39.6	20.3	30.4	45.5	31.8	21.0	26.4
Food, seed, ind. (mil. metric tons)	20.9	22.3	24.1	4.8	4.3	8.6	5.1	4.9	4.6	9.5

<sup>1</sup> Beginning October 1 for corn and sorghum; June 1 for oats and barley. <sup>2</sup> No. 3 or better, 65% or better, plump beginning October 1977. <sup>3</sup> Aggregated data for corn, sorghum, oats, and barley. n.a. = not available. p = preliminary.

## Fats and oils

	Marketing Year <sup>1</sup>			1980	1981					
	1978/79	1979/80	1980/81	Sept	Apr	May	June	July <sup>2</sup>	Aug	Sept
<b>Soybeans:</b>										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) . . . . .	7.09	6.46	6.92	7.36	7.72	7.53	7.09	7.28	6.95	—
Crushings (mil. bu.) . . . . .	1,017.8	1,123.0	1,020.5	81.6	85.4	82.3	73.4	72.3	74.6	—
Exports (mil. bu.) . . . . .	753.0	875.0	724.3	41.4	60.0	69.6	41.8	29.6	41.8	—
<b>Soybean oil:</b>										
Wholesale price, crude, Decatur (cts./lb.) . . . . .	27.2	24.3	22.5	26.1	23.4	21.6	21.3	22.8	20.8	19.4
Production (mil. lb.) . . . . .	11,323.4	12,105.3	11,165.0	890.1	954.2	914.9	830.7	815.8	826.5	—
Domestic disappearance (mil. lb.) . . . . .	8,941.7	8,980.7	9,050.0	760.0	761.1	752.2	733.4	834.9	1,081.0	—
Exports (mil. lb.) . . . . .	2,334.0	2,690.0	1,600.0	182.9	90.7	114.8	125.0	96.0	301.4	—
Stocks, beginning (mil. lb.) . . . . .	729.0	776.0	1,210.0	1,263.0	2,016.7	2,118.8	2,166.3	2,138.6	2,024.4	1,769.9
<b>Soybean meal:</b>										
Wholesale price, 44% protein, Decatur (\$/ton) . . . . .	190.06	181.91	—	234.5	222.00	221.00	200.90	204.10	202.2	—
Production (thou. ton) . . . . .	24,354.4	27,105.1	24,309.0	1,962.5	2,047.9	1,963.2	1,765.3	1,734.4	1,783.9	—
Domestic disappearance (thou. ton) . . . . .	1,772.0	19,238.4	17,385.0	1,449.1	1,307.3	1,360.9	1,424.7	1,466.7	1,321.9	—
Export (thou. ton) . . . . .	6,610.0	7,908.0	6,900.0	549.9	8,003	526.4	387.1	320.0	416.9	—
Stocks, beginning (thou. ton) . . . . .	243.0	267.4	226.0	262.1	271.4	211.7	287.6	241.1	188.8	233.9
Margarine, wholesale price, Chicago (cts./lb.) . . . . .	43.5	50.3	47.0	48.3	42.2	41.0	41.7	43.0	42.6	40.8

<sup>1</sup> Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year for margarine.

## Fruit

	Annual			1980	1981					
	1978	1979	1980	Sept	Apr	May	June <sup>2</sup>	July	Aug	Sept
<b>Wholesale price indexes:</b>										
Fresh fruit (1967=100) . . . . .	217.6	230.4	237.3	267.3	221.3	227.7	209.4	223.9	220.8	237.9
Dried fruit (1967=100) . . . . .	355.3	530.7	380.4	381.7	385.5	382.2	382.2	384.3	384.3	384.3
Canned fruit and juice (1967=100) . . . . .	213.9	240.2	256.4	257.5	271.4	272.6	274.5	273.9	278.6	278.8
Frozen fruit and juice (1967=100) . . . . .	232.0	248.5	244.3	243.1	317.2	317.2	317.2	316.4	319.9	318.0
<b>F.o.b. shipping point prices:</b>										
Apples, Yakima Valley (\$/ctn.) <sup>1</sup> . . . . .	n.a.	n.a.	n.a.	n.a.	<sup>4</sup> 9.09	<sup>4</sup> 9.54	<sup>4</sup> 10.16	<sup>4</sup> 12.09	15.77	n.a.
Pears, Medford, Dr. (\$/box) <sup>2</sup> . . . . .	n.a.	n.a.	n.a.	10.70	n.a.	n.a.	n.a.	n.a.	n.a.	9.05
Oranges, U.S. avg. (\$/box) . . . . .	10.69	12.50	9.50	9.50	9.58	10.10	10.80	12.20	12.80	12.30
Grapefruit, U.S. avg. (\$/box) . . . . .	6.72	8.00	8.50	9.80	10.60	11.20	13.00	13.80	12.20	12.70
<b>Stocks, beginning:</b>										
Fresh apples (mil. lb.) . . . . .	<sup>3</sup> 2,624.5	<sup>3</sup> 2,789.6	<sup>3</sup> 3,222.0	3.9	1,482.5	994.2	553.4	186.7	84.6	17.2
Fresh pears (mil. lb.) . . . . .	<sup>3</sup> 195.3	<sup>3</sup> 157.6	<sup>3</sup> 206.0	63.2	73.9	36.2	11.6	n.a.	3.1	60.9
Frozen fruit (mil. lb.) . . . . .	<sup>3</sup> 517.9	<sup>3</sup> 563.7	<sup>3</sup> 578.0	605.4	451.0	404.8	374.2	406.1	513.8	534.2
Frozen fruit juices (mil. lb.) . . . . .	<sup>3</sup> 714.0	<sup>3</sup> 734.3	<sup>3</sup> 1,005.4	1,452.3	1,518.9	1,640.0	1,866.9	1,866.8	1,644.5	1,504.5

<sup>1</sup> Red Delicious, Washington extra fancy, carton tray pack, 80-125's. <sup>2</sup> D'Anjou pears, Medford, or wrapped, U.S. No. 1, 90-135's. <sup>3</sup> Stocks as of January 1 of year listed. <sup>4</sup> C.A. storage. n.a. = not available.

## Food grains

	Marketing Year <sup>1</sup>			1980	1981					
	1978/79	1979/80	1980/81	Sept	Apr	May	June	July	Aug	Sept
<b>Wholesale prices:</b>										
Wheat, No. 1 HRW, Kansas City (\$/bu.) <sup>1</sup> . . . . .	3.38	4.25	4.45	4.45	4.48	4.36	4.24	4.25	4.14	4.19
Wheat, DNS, Minneapolis (\$/bu.) <sup>2</sup> . . . . .	3.17	4.16	4.46	4.17	4.41	4.44	4.29	4.18	4.03	4.07
Flour, Kansas City (\$/cwt.) . . . . .	7.81	10.03	10.35	10.40	10.53	10.31	10.53	10.28	10.30	10.20
Flour, Minneapolis (\$/cwt.) . . . . .	8.17	10.27	10.98	10.98	11.10	11.08	11.13	10.81	10.75	10.59
Rice, S.W. La. (\$/cwt.) <sup>3</sup> . . . . .	18.40	22.15	25.95	22.00	28.26	28.00	27.90	27.50	26.40	24.30
<b>Wheat:</b>										
Exports (mil. bu.) . . . . .	1,194	1,375	1,510	143	136	84	132	142	150	—
Mill grind (mil. bu.) . . . . .	622	630	647	55	53	52	53	51	54	—
Wheat flour production (mil. cwt.) . . . . .	278	284	290	24	24	23	24	23	24	—
	Marketing year <sup>1</sup>			1980	1981					
	1978/79	1979/80	1980/81	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
<b>Wheat:</b>										
Stocks, beginning (mil. bu.) . . . . .	1,178	924	902	1,716	1,225	902	2,472	1,904	1,329	988
<b>Domestic use:</b>										
Food (mil. bu.) . . . . .	592	596	614	145	94	197	167	154	96	—
Feed and seed (mil. bu.) <sup>4</sup> . . . . .	245	187	162	63	36	85	30	21	25	—
Exports (mil. bu.) . . . . .	1,194	1,375	1,510	283	193	518	371	400	220	—

<sup>1</sup> Beginning June 1 for wheat and August 1 for rice. <sup>2</sup> Ordinary protein. <sup>3</sup> Long-grain, milled basis. <sup>4</sup> Feed use approximated by residual.



## Cotton

	Marketing year <sup>1</sup>			1980	1981					
	1978/79	1979/80	1980/81	Sept	Apr	May	June	July	Aug	Sept
U.S. price, SLM, 1-1/16 in. (cts./lb.) <sup>2</sup>	61.6	71.5	83.0	87.5	81.2	78.5	78.1	75.1	66.4	60.8
Northern Europe prices:										
Index (cts./lb.) <sup>3</sup>	n.a.	n.a.	93.3	100.3	87.3	86.8	86.4	83.5	80.7	77.0
U.S. M 1-3/32" (cts./lb.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	81.9	77.6
U.S. mill consumption (thou. bales)	6,434.8	6,463.0	5,870.5	473.7	452.4	460.0	554.2	402.2	445.2	—
Exports (thou. bales)	6,180.2	9,228.9	5,925.8	412.4	524.0	482.6	337.2	278.2	244.3	—

<sup>1</sup> Beginning August 1. <sup>2</sup> Average spot market. <sup>3</sup> Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. <sup>4</sup> Memphis territory growths. n.a. = not available.

## Coffee

	Annual			1980	1981					
	1978	1979	1980 p	Sept	Apr	May	June	July p	Aug p	Sept p
Composite green price, N.Y. (cts./lb.)	155.15	169.50	157.78	134.19	124.24	122.33	107.69	113.76	119.31	112.53
Imports, green bean equivalent (mil. lb.) <sup>1</sup>	2,448	2,656	2,466	142	172	184	137	128	*162	*162
	Annual			1980	1981					
	1978	1979	1980 p	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec p
Roastings (mil. lb.) <sup>2</sup>	2,156	2,249	2,255	532	511	644	627	524	*490	*650

<sup>1</sup> Green and processed coffee. <sup>2</sup> Instant soluble and roasted coffee. p Preliminary. \* Forecast.

## Vegetables

	Annual			1980	1981					
	1978	1979	1980	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.20	4.54	6.32	6.23	12.44	11.35	13.06	6.40	7.34	6.75
Iceberg lettuce (\$/ctn.) <sup>1</sup>	5.10	5.10	4.25	5.31	3.64	5.52	4.36	6.95	6.32	5.90
Tomatoes (\$/ctn.) <sup>2</sup>	6.65	7.86	7.57	7.63	11.98	5.53	6.26	7.55	6.72	6.13
Wholesale Price Index, 10 canned veg. (1967=100)	175	191	200	211	236	236	236	239	240	242
Grower price index, fresh commercial veg. (1977=100)	106	109	110	110	135	132	116	133	127	114

<sup>1</sup> Std. carton 24's f.o.b. shipping point. <sup>2</sup> 5 x 6-6 x 6, f.o.b. Fla-Cal.

## Sugar

	Annual			1980	1981					
	1978	1979	1980	Sept	Apr	May	June	July	Aug	Sept
U.S. raw sugar price, N.Y. (cts./lb.) <sup>1</sup>	—	—	30.11	36.03	19.91	17.43	18.95	19.09	17.42	15.49
U.S. deliveries (thou. short tons) <sup>2,3</sup>	10,849	10,714	10,149	769	*799	*814	*914	*877	*832	*938

<sup>1</sup> Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. <sup>2</sup> Raw value. <sup>3</sup> Excludes Hawaii. \* Preliminary.

## Tobacco

	Annual			1980	1981					
	1978	1979	1980 <sup>1</sup>	Sept	Apr	May	June	July	Aug	Sept
Prices at auctions:										
Flue-cured (cts./lb.) <sup>2</sup>	135.0	140.0	144.5	154.0	—	—	—	156.5	163.5	172.0
Burley (cts./lb.) <sup>2</sup>	131.0	145.2	165.9	—	—	—	—	—	—	—
Domestic consumption <sup>3</sup>										
Cigarettes (bil.)	614.3	614.0	620.5	49.6	53.7	50.7	56.5	51.1	n.a.	n.a.
Large cigars (mil.)	4,701	4,298	3,994	387.9	301.9	337.4	387.9	287.7	n.a.	n.a.

<sup>1</sup> Subject to revision. <sup>2</sup> Crop year July-June for flue-cured, October-September for burley. <sup>3</sup> Taxable removals. n.a. = not available.

# Supply and Utilization: Crops

## Supply and Utilization: Domestic Measure<sup>1</sup>

	Area		Yield	Production	Total Supply <sup>2</sup>	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price <sup>3</sup>
	Planted	Harvested									
	Mil. acres		Bu/acre				Mil. bu				\$/bu.
<b>Wheat:</b>											
1976/77 . . . . .	80.4	70.9	30.3	2,149	2,817	74	680	950	1,704	1,113	2.73
1977/78 . . . . .	75.4	66.7	30.7	2,046	3,161	193	667	1,124	1,983	1,178	2.33
1978/79 . . . . .	66.0	56.5	31.4	1,776	2,956	159	679	1,194	2,032	924	2.97
1979/80 . . . . .	71.4	62.5	34.2	2,134	3,060	86	697	1,375	2,158	902	3.78
1980/81* . . . . .	80.4	70.9	33.4	2,370	3,274	45	728	1,510	2,283	991	3.96
1981/82* . . . . .	88.8	80.7	34.1	2,750	3,743	125	732	1,900	2,757	986	3.75-3.95
	Mil. acres		lb/acre				Mil. cwt. (rough equiv.)				c/ib.
<b>Rice:</b>											
1976/77 . . . . .	2.49	2.48	4,663	115.6	152.6	73.8	42.7	65.6	108.3	40.5	7.02
1977/78 . . . . .	2.26	2.25	4,412	99.2	139.8	71.9	37.7	72.8	110.5	27.4	9.49
1978/79 . . . . .	2.99	2.97	4,484	133.2	160.7	74.2	49.2	75.7	124.9	31.6	8.16
1979/80 . . . . .	2.89	2.87	4,599	131.9	163.6	76.1	49.2	82.6	131.8	25.7	10.50
1980/81* . . . . .	3.36	3.30	4,403	145.1	171.0	78.6	54.5	91.4	145.9	16.5	12.00
1981/82* . . . . .	3.77	3.73	4,788	178.8	195.4	71.6	56.5	79.0	135.5	56.4	9.00-11.00
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
<b>Corn:</b>											
1976/77 . . . . .	84.6	71.5	88.0	6,289	6,691	3,571	550	1,684	5,806	886	2.15
1977/78 . . . . .	84.3	71.6	90.8	6,505	7,394	3,745	590	1,948	6,283	1,111	2.02
1978/79 . . . . .	81.7	71.9	101.0	7,268	8,380	4,323	620	2,133	7,076	1,304	2.25
1979/80 . . . . .	81.4	72.4	109.7	7,939	9,244	4,519	675	2,433	7,627	1,617	2.52
1980/81* . . . . .	84.1	73.1	91.0	6,648	8,266	4,150	750	2,370	7,270	996	3.10
1981/82* . . . . .	84.3	74.1	109.0	8,081	9,078	4,250	825	2,500	7,575	1,503	2.60-2.90
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
<b>Sorghum:</b>											
1976/77 . . . . .	18.1	14.5	49.1	711	762	414	11	246	671	91	2.03
1977/78 . . . . .	16.6	13.8	56.6	781	872	456	11	214	681	191	1.82
1978/79 . . . . .	16.2	13.4	54.5	731	922	544	11	207	762	160	2.01
1979/80 . . . . .	15.3	12.9	62.7	809	969	484	13	325	822	147	2.34
1980/81* . . . . .	15.9	12.7	46.2	588	735	365	11	300	676	59	2.95
1981/82* . . . . .	16.1	13.6	64.4	877	936	450	11	325	786	150	2.40-2.60
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
<b>Barley:</b>											
1976/77 . . . . .	9.3	8.4	45.4	383	522	175	155	66	396	126	2.25
1977/78 . . . . .	10.8	9.7	44.0	428	564	178	156	57	391	173	1.78
1978/79 . . . . .	10.0	9.2	49.2	455	638	217	167	26	410	228	1.92
1979/80 . . . . .	8.1	7.5	50.9	383	623	204	172	55	431	192	2.29
1980/81* . . . . .	8.3	7.2	49.6	359	561	175	172	77	424	137	2.91
1981/82* . . . . .	9.8	9.1	52.5	476	623	200	175	100	475	148	2.35-2.50
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
<b>Oats:</b>											
1976/77 . . . . .	16.6	11.8	45.7	540	747	485	88	10	583	164	1.56
1977/78 . . . . .	17.7	13.5	55.8	753	919	509	85	12	606	313	1.10
1978/79 . . . . .	16.4	11.1	52.3	582	896	526	77	13	616	280	1.20
1979/80 . . . . .	14.0	9.7	54.4	527	808	492	76	4	572	236	1.36
1980/81* . . . . .	13.4	8.6	53.0	458	695	432	74	13	519	176	1.82
1981/82* . . . . .	13.6	9.7	52.8	509	686	425	75	10	510	176	1.75-1.90
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
<b>Soybeans:</b>											
1976/77 . . . . .	50.3	49.4	26.1	1,289	1,534	77	790	564	1,431	103	6.81
1977/78 . . . . .	59.0	57.8	30.6	1,767	1,870	82	927	700	1,709	161	5.88
1978/79 . . . . .	64.7	63.7	29.4	1,869	2,030	99	1,018	739	1,856	174	6.66
1979/80 . . . . .	71.6	70.6	32.1	2,268	2,442	85	1,123	875	2,083	359	6.28
1980/81* . . . . .	70.1	67.9	26.4	1,792	2,151	87	1,020	724	1,831	320	7.61
1981/82* . . . . .	68.5	66.9	31.5	2,107	2,427	87	1,080	840	2,007	420	5.50-7.00
							Mil. lbs.				c/ib.
<b>Soybean oil:</b>											
1976/77 . . . . .	—	—	—	8,578	9,829	—	7,511	1,547	9,058	771	24.0
1977/78 . . . . .	—	—	—	10,288	11,059	—	8,273	2,057	10,330	729	24.5
1978/79 . . . . .	—	—	—	11,323	12,052	—	8,942	2,334	11,276	776	27.1
1979/80 . . . . .	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81* . . . . .	—	—	—	11,165	12,375	—	9,050	1,600	10,650	1,725	22.5
1981/82* . . . . .	—	—	—	11,770	13,495	—	9,450	2,250	11,700	1,795	20.0-24.0
							Thou. tons				\$/ton
<b>Soybean meal:</b>											
1976/77 . . . . .	—	—	—	18,488	18,843	—	14,056	4,559	18,615	228	199.8
1977/78 . . . . .	—	—	—	22,371	22,599	—	16,276	6,080	22,356	243	163.6
1978/79 . . . . .	—	—	—	24,354	24,597	—	17,720	6,610	24,330	267	190.1
1979/80 . . . . .	—	—	—	27,105	27,372	—	19,238	7,908	27,146	226	181.9
1980/81* . . . . .	—	—	—	24,309	24,535	—	17,385	6,900	24,285	250	218.2
1981/82* . . . . .	—	—	—	25,700	25,950	—	18,350	7,330	25,680	270	170-195

See footnotes at end of table.



# Supply and Utilization—Domestic Measure, Continued

	Area		Yield	Production	Total Supply <sup>2</sup>	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm Price <sup>3</sup>
	Planted	Harvested									
	Mil. acres		lb./acre								c/ib
Cotton:											
1976/77	11.6	10.9	465	10.6	14.3	—	6.7	4.8	11.5	2.9	64.1
1977/78	13.7	13.3	520	14.4	17.3	—	6.5	5.5	12.0	5.3	52.3
1978/79	13.4	12.4	420	10.9	16.2	—	6.4	6.2	12.5	4.0	58.4
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	63.4
1980/81*	14.5	13.2	404	11.1	14.2	—	5.9	5.9	11.9	2.7	—
1981/82*	14.3	13.8	540	15.5	18.2	—	6.2	7.0	13.2	5.0	—

# Supply and Utilization—Metric Measure <sup>4</sup>

	Mil. hectares		Metric tons/ha		Mil. metric tons						\$/metric ton
Wheat:											
1976/77	32.5	28.7	2.04	58.5	76.7	2.1	18.5	25.8	46.4	30.3	100
1977/78	30.5	27.0	2.06	55.6	86.0	5.2	18.1	30.6	53.9	32.1	86
1978/79	26.7	22.9	2.11	48.3	80.4	4.3	18.5	32.5	55.3	25.1	109
1979/80	28.9	25.3	2.30	58.1	83.3	2.3	19.0	37.4	58.7	24.6	139
1980/81*	32.5	28.7	2.25	64.5	89.1	1.2	19.8	41.1	62.1	27.0	145
1981/82*	35.9	32.7	2.29	74.8	101.9	3.4	19.9	51.7	75.0	26.8	138-145

Mil. metric tons (rough equiv.)

Rice:											
1976/77	1.0	1.0	5.23	5.2	6.9	70.2	1.9	3.0	4.9	1.8	155
1977/78	.9	.9	4.95	4.5	6.3	70.1	1.7	3.3	5.0	1.2	209
1978/79	1.2	1.2	5.03	6.1	7.3	70.2	2.3	3.4	5.7	1.4	180
1979/80	1.2	1.2	5.15	6.0	7.4	70.3	2.2	3.7	5.9	1.2	231
1980/81*	1.4	1.3	4.93	6.6	7.8	70.4	2.5	4.1	6.6	0.8	265
1981/82*	1.5	1.5	5.37	8.1	8.9	70.2	2.6	3.6	6.2	2.5	198-243

Mil. metric tons

Corn:											
1976/77	34.2	28.9	5.52	159.7	170.0	90.7	14.0	42.8	147.5	22.5	85
1977/78	34.1	29.0	5.70	165.2	187.8	95.1	15.0	49.5	159.6	28.2	80
1978/79	33.1	29.1	6.34	184.6	212.9	109.8	15.7	54.2	179.7	33.1	89
1979/80	32.9	29.3	6.88	201.6	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81*	34.0	29.6	5.71	168.9	210.0	105.4	19.1	60.2	184.7	25.3	122
1981/82*	34.1	30.0	6.84	205.3	230.6	108.0	21.0	63.5	192.5	38.2	102-114

Feed Grain:											
1976/77	52.1	43.0	4.51	194.0	211.5	112.1	18.9	50.6	181.6	29.9	—
1977/78	52.4	43.9	4.68	205.3	235.5	117.9	19.9	56.3	194.1	41.4	—
1978/79	50.3	42.7	5.19	221.5	263.2	135.9	20.9	60.2	217.0	46.2	—
1979/80	48.1	41.5	5.74	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81*	49.3	41.1	4.82	198.2	250.9	124.8	24.1	69.7	218.6	32.3	—
1981/82*	50.1	43.1	5.69	245.3	277.9	129.9	26.1	74.1	230.1	47.8	—

Soybeans:											
1976/77	20.4	20.0	1.76	35.1	41.7	42.1	21.5	15.3	38.9	2.8	250
1977/78	23.9	23.4	2.06	48.1	50.9	42.2	25.2	19.1	46.5	4.4	216
1978/79	26.2	25.8	1.98	50.9	55.3	42.8	27.7	20.1	50.6	4.7	245
1979/80	29.0	28.6	2.16	61.7	66.4	42.4	30.6	23.8	56.7	9.8	231
1980/81*	28.4	27.5	1.78	48.8	58.5	42.5	27.8	19.7	49.9	8.7	277
1981/82*	27.7	27.1	2.12	57.3	66.0	42.5	29.4	22.9	54.5	11.4	202-257

Soybean oil:											
1976/77	—	—	—	3.89	4.46	—	3.41	.70	4.11	.35	529
1977/78	—	—	—	4.67	5.02	—	3.75	.93	4.69	.33	542
1978/79	—	—	—	5.14	5.47	—	4.06	1.06	5.12	.35	604
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81*	—	—	—	5.06	5.61	—	4.10	.73	4.74	.78	507
1981/82*	—	—	—	5.34	6.21	—	4.29	1.02	5.19	.81	419-507

Soybean meal:											
1976/77	—	—	—	16.77	17.09	—	12.75	4.14	16.89	.21	220
1977/78	—	—	—	20.29	20.50	—	14.77	5.52	20.28	.22	181
1978/79	—	—	—	22.09	22.31	—	16.08	6.00	22.07	.24	210
1979/80	—	—	—	24.59	24.83	—	17.45	7.17	24.62	.20	201
1980/81*	—	—	—	22.05	22.26	—	15.77	6.26	22.02	.23	243
1981/82*	—	—	—	23.32	23.54	—	16.65	6.65	23.30	.24	187-215

\$/kg

Cotton:											
1976/77	4.7	4.4	.52	2.31	3.11	—	1.46	1.05	2.50	.63	1.41
1977/78	5.5	5.4	.58	3.14	3.77	—	1.42	1.20	2.61	1.15	1.15
1978/79	6.4	5.0	.47	2.36	3.53	—	1.39	1.35	2.72	.87	1.29
1979/80	5.7	5.2	.61	3.19	4.05	—	1.42	2.00	3.42	.65	1.40
1980/81*	5.9	5.4	.45	2.42	3.09	—	1.28	1.28	2.59	.59	—
1981/82*	5.8	5.6	.61	3.37	3.96	—	1.35	1.52	2.87	1.09	—

\*October 13, 1981 Supply and Demand Estimates. <sup>1</sup>Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. <sup>2</sup>Includes imports. <sup>3</sup>Season average. <sup>4</sup>Includes seed. <sup>5</sup>Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. <sup>6</sup>Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. <sup>7</sup>Statistical discrepancy.

# General Economic Data

## Gross national product and related data

	Annual		1979		1980				1981		
	1978	1979	1980 p	IV	I	II	III	IV	I	II	III p
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product <sup>1</sup>	2,156.1	2,413.9	2,626.1	2,496.3	2,571.7	2,564.8	2,637.3	2,730.6	2,853.0	2,885.8	2,947.0
Personal consumption expenditures	1,348.7	1,510.9	1,672.8	1,582.3	1,631.0	1,626.8	1,682.2	1,751.0	1,810.1	1,829.1	1,888.6
Durable goods	199.3	212.3	211.9	216.1	220.9	194.4	208.8	223.3	238.3	227.3	240.0
Nondurable goods	529.8	602.2	675.7	639.2	661.1	664.0	674.2	703.5	726.0	735.3	750.1
Clothing and shoes	91.9	98.9	104.8	102.5	102.2	102.3	105.3	109.4	113.4	115.8	116.9
Food and beverages	276.4	312.1	345.7	329.0	336.2	338.4	347.7	360.4	372.5	377.8	386.6
Services	619.6	696.3	785.2	727.0	749.0	768.4	799.2	824.2	845.8	866.5	898.6
Gross private domestic investment	375.3	415.8	395.3	410.0	415.6	390.9	377.1	397.7	437.1	458.6	449.8
Fixed investment	353.2	398.3	401.2	410.8	413.1	383.5	393.2	415.1	432.7	435.3	432.2
Nonresidential	242.0	279.7	296.0	290.2	297.8	289.8	294.0	302.1	315.9	324.6	330.8
Residential	111.2	118.6	105.3	120.6	115.2	93.6	99.2	113.0	116.7	110.7	101.4
Change in business inventories	22.2	17.5	-5.9	-8	2.5	7.4	-16.0	-17.4	4.5	23.3	17.6
Net exports of goods and services	-6	13.4	23.3	7.6	8.2	17.1	44.5	23.3	29.2	20.8	18.0
Exports	219.8	281.3	339.8	306.3	337.3	333.3	342.4	346.1	367.4	368.2	362.8
Imports	220.4	267.9	316.5	298.7	329.1	316.2	297.9	322.7	338.2	347.5	344.8
Government purchases of goods and services	432.6	473.8	534.7	496.4	516.8	530.0	533.5	558.6	576.5	577.4	590.5
Federal	153.4	167.9	198.9	178.1	190.0	198.7	194.9	212.0	221.6	219.5	227.7
State and local	279.2	305.9	335.8	318.3	326.8	331.3	338.6	346.6	354.9	357.9	362.9
1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,436.9	1,483.0	1,480.7	1,490.6	1,501.9	1,463.3	1,471.9	1,485.6	1,516.4	1,510.4	1,508.2
Personal consumption expenditures	904.8	930.9	935.1	941.6	943.4	919.3	930.8	946.8	960.2	955.1	965.2
Durable goods	146.3	146.6	135.8	146.0	145.4	126.2	132.6	139.1	146.8	137.4	142.4
Nondurable goods	345.7	354.6	358.4	361.3	361.5	356.6	354.9	360.4	364.5	367.0	368.2
Clothing and shoes	73.3	76.6	78.0	78.4	76.9	76.7	78.3	80.1	82.8	84.0	83.8
Food and beverages	172.5	176.7	181.5	181.3	183.6	182.2	180.1	179.9	182.9	185.0	185.1
Services	412.8	429.6	440.9	434.3	436.5	436.5	443.3	447.3	448.9	450.7	454.6
Gross private domestic investment	229.7	232.6	203.6	221.5	218.3	200.5	195.3	200.5	211.6	219.7	214.4
Fixed investment	215.8	222.5	206.6	222.2	219.2	199.2	200.2	207.6	213.1	208.9	204.1
Nonresidential	153.4	163.3	158.4	164.1	165.0	156.1	155.5	157.0	162.0	161.1	161.0
Residential	62.4	59.1	48.1	58.1	54.2	43.1	44.7	50.6	51.0	47.8	43.2
Change in business inventories	14.0	10.2	-2.9	-7	-9	1.3	-5.0	-7.2	-1.4	10.8	10.3
Net exports of goods and services	24.6	37.7	52.0	42.2	50.1	51.7	57.6	48.5	50.9	46.2	39.5
Exports	127.5	146.9	161.1	154.8	165.9	160.5	160.5	157.4	162.5	161.5	157.9
Imports	103.0	109.2	109.1	112.6	115.8	108.9	102.8	108.9	111.6	115.4	118.4
Government purchases of goods and services	277.8	281.8	290.0	285.3	290.1	291.9	288.2	289.8	293.6	289.5	289.1
Federal	99.8	101.7	108.1	103.1	107.6	110.7	106.9	107.4	111.2	108.7	110.2
State and local	178.0	180.1	181.9	182.2	182.5	181.2	181.3	182.4	182.5	180.7	178.9
New plant and equipment expenditures (\$bil.)	231.24	270.46	295.63	284.30	291.89	294.36	296.23	299.58	312.24	316.73	322.96
Implicit Price deflator for GNP (1972=100)	150.05	162.77	177.36	167.47	171.23	175.28	179.18	183.81	188.14	191.06	195.40
Disposable income (\$bil.)	1,462.9	1,641.7	1,821.7	1,710.1	1,765.1	1,784.1	1,840.6	1,897.0	1,947.8	1,985.6	2,040.1
Disposable income (1972 \$bil.)	981.5	1,011.5	1,018.4	1,017.7	1,021.0	1,008.2	1,018.5	1,025.8	1,033.3	1,036.8	1,042.6
Per capita disposable income (\$)	6,571	7,293	8,002	7,563	7,785	7,848	8,074	8,299	8,504	8,651	8,865
Per capita disposable income (1972 \$)	4,409	4,493	4,473	4,501	4,503	4,435	4,468	4,488	4,511	4,517	4,530
U.S. population, tot., incl. military abroad (mil.)*	222.6	225.1	227.7	226.1	226.7	227.3	228.0	228.6	229.0	229.5	230.1
Civilian population (mil.)*	220.5	223.0	225.6	224.0	224.6	225.2	225.9	226.5	226.9	227.4	228.0

See footnotes at end of next table.



## Selected monthly indicators

	Annual			1980		1981				
	1978	1979	1980 p	Sept	Apr	May	June	July	Aug	Sept p
Monthly data seasonally adjusted except as noted										
Industrial production, total <sup>2</sup> (1967=100) . . . . .	146.1	152.5	147.0	144.4	151.9	152.7	152.9	153.8	153.3	152.1
Manufacturing (1967=100) . . . . .	146.8	153.6	146.7	143.9	152.0	152.8	152.4	153.1	152.7	151.4
Durable (1967=100) . . . . .	139.7	146.4	136.7	132.1	142.5	143.5	143.2	143.6	142.9	141.0
Nondurable (1967=100) . . . . .	156.9	164.0	161.2	161.0	165.9	166.4	165.8	166.9	166.7	166.4
Leading economic indicators <sup>1,4</sup> (1967=100) . . . . .	141.8	140.1	131.2	134.4	137.5	135.2	134.0	134.4	133.7	130.1
Employment <sup>5</sup> (Mil. persons) . . . . .	94.4	96.9	97.3	97.2	99.0	99.2	98.4	99.0	98.9	98.3
Unemployment rate <sup>5</sup> (%) . . . . .	6.0	5.8	7.1	7.4	7.3	7.6	7.3	7.0	7.2	7.5
Personal income <sup>1</sup> (\$ bil. annual rate) . . . . .	1,721.8	1,943.8	2,160.2	2,205.7	2,353.8	2,367.4	2,384.3	2,418.2	2,441.0	2,460.6
Hourly earnings in manufacturing <sup>5,6</sup> (\$) . . . . .	6.17	6.69	7.27	7.42	7.88	7.92	7.97	8.02	8.02	8.15
Money stock (daily average) <sup>3</sup> (\$ bil.) . . . . .	<sup>7</sup> 364.2	<sup>7</sup> 390.5	<sup>7</sup> 415.6	411.8	433.7	431.5	428.8	430.1	432.8	431.7
Time and savings deposits (daily average) (\$ bil.) . . . . .	<sup>7</sup> 1,202.8	<sup>7</sup> 1,288.9	<sup>7</sup> 1,406.6	1,359.4	1,426.5	1,436.7	1,449.0	1,450.7	1,459.4	1,463.8
Three-month Treasury bill rate <sup>2</sup> (%) . . . . .	7.221	10.041	11.506	10.321	13.635	16.295	14.557	14.699	15.612	14.951
Aaa corporate bond yield (Moody's) <sup>4,8</sup> (%) . . . . .	8.73	9.63	11.94	12.02	13.88	14.32	13.75	14.38	14.89	15.49
Interest rate on new home mortgages <sup>8,9</sup> (%) . . . . .	9.54	10.77	12.65	12.35	14.15	14.10	14.67	14.72	15.27	15.37
Housing starts, private (including farm) (thou.) . . . . .	2,020.3	1,745.1	1,292.0	1,482	1,332	1,158	1,039	1,047	934	918
Auto sales at retail, total <sup>1</sup> (mil.) . . . . .	11.3	10.6	9.0	8.4	8.0	7.9	7.5	8.2	10.4	8.7
Business sales, total <sup>1</sup> (\$ bil.) . . . . .	258.7	294.7	320.5	317.9	350.9	349.2	354.4	354.5	350.8 p	—
Business inventories, total <sup>1</sup> (\$ bil.) . . . . .	395.2	444.2	475.2	468.9	487.0	490.3	494.2	498.1	501.7 p	—
Sales of all retail stores (\$ bil.) <sup>1,10</sup> . . . . .	66.9	74.3	79.5	80.6	85.9	85.5	87.4	87.4	88.4 p	88.8
Durable goods stores (\$ bil.) . . . . .	23.2	25.3	24.8	25.1	26.4	26.5	27.5	27.8	28.4 p	28.8
Nondurable goods stores (\$ bil.) . . . . .	43.6	49.1	54.7	55.5	59.5	59.0	59.9	59.6	60.0 p	60.0
Food stores (\$ bil.) . . . . .	14.5	16.3	18.1	18.6	19.7	19.5	19.9	19.9	20.4 p	20.3
Eating and drinking places (\$ bil.) . . . . .	5.9	6.6	7.2	7.3	7.8	7.9	7.9	7.8	7.7 p	7.9
Apparel and accessory stores (\$ bil.) . . . . .	3.3	3.5	3.7	3.7	3.9	3.9	4.0	4.0	4.0 p	4.0

<sup>1</sup> Department of Commerce. <sup>2</sup> Board of Governors of the Federal Reserve System. <sup>3</sup> M1-B. <sup>4</sup> Composite index of 12 leading indicators. <sup>5</sup> Department of Labor, Bureau of Labor Statistics. <sup>6</sup> Not seasonally adjusted. <sup>7</sup> December of the year listed. <sup>8</sup> Moody's Investors Service. <sup>9</sup> Federal Home Loan Board. <sup>10</sup> Adjusted for seasonal variations, holidays, and trading day differences. p Preliminary. \* Data revised to reflect the results of the 1980 census count

## U.S. Agricultural Trade

### U. S. agricultural exports

	October-August				August			
	1979/80	1980/81	1979/80	1980/81	1980	1981	1980	1981
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry. . . . .	—	—	135,616	172,025	—	—	11,890	16,213
Meat and preps., excluding poultry (mt). . . . .	379	404	801,708	918,850	33	33	68,337	68,498
Dairy products, excluding eggs . . . . .	—	—	137,475	221,427	—	—	14,204	24,524
Poultry and poultry products . . . . .	—	—	498,175	710,511	—	—	41,203	64,926
Grains and preparations . . . . .	—	—	15,513,481	18,634,856	—	—	1,608,978	1,475,515
Wheat and wheat flour (mt). . . . .	33,135	37,862	5,877,842	7,069,592	3,949	4,027	694,215	686,942
Rice, milled (mt) . . . . .	2,069	1,592	859,691	837,736	171	129	73,860	71,841
Feed grains, excluding products (mt). . . . .	65,367	64,153	8,275,931	9,763,143	5,820	4,627	800,082	647,624
Other. . . . .	—	—	500,017	964,385	—	—	40,821	69,108
Fruits, nuts, and preparations . . . . .	—	—	1,906,761	1,925,916	—	—	148,895	144,415
Vegetables and preparations . . . . .	—	—	874,578	1,342,155	—	—	56,224	66,651
Sugar & preps., including honey. . . . .	—	—	257,586	673,932	—	—	58,857	67,597
Coffee, tea, cocoa, spices, etc. (mt). . . . .	44	47	157,732	212,725	3	3	14,863	15,024
Feeds and fodders. . . . .	—	—	2,570,494	2,586,497	—	—	178,604	173,861
Protein meal (mt). . . . .	7,057	6,288	1,584,542	1,600,165	372	414	87,111	98,108
Beverages excl. distilled alcohol (Lit.) . . . . .	83,417	100,919	36,507	50,618	18,025	4,579	8,546	2,207
Tobacco, unmanufactured (mt). . . . .	268	231	1,272,839	1,208,676	14	13	67,267	71,691
Hides, skins, and furskins . . . . .	—	—	1,061,165	946,325	—	—	57,941	55,766
Oilseeds . . . . .	—	—	6,435,441	6,094,540	—	—	523,433	344,943
Soybeans (mt). . . . .	22,706	18,585	5,850,526	5,609,375	1,569	1,137	433,700	318,302
Wool, unmanufactured (mt). . . . .	3	3	27,018	28,477	( <sup>1</sup> )	( <sup>1</sup> )	1,122	3,938
Cotton, unmanufactured (mt). . . . .	1,953	1,213	2,881,799	2,164,680	96	56	156,804	95,367
Fats, oils, and greases (mt). . . . .	1,432	1,428	725,163	697,984	133	96	60,253	46,448
Vegetable oils and waxes (mt). . . . .	1,708	1,504	1,144,132	1,025,714	146	203	100,449	128,656
Rubber and allied gums (mt) . . . . .	16	13	22,323	24,040	2	1	3,250	1,515
Other. . . . .	—	—	785,228	945,444	—	—	62,530	58,504
Total . . . . .	—	—	37,245,221	40,585,392	—	—	3,243,650	2,926,259

<sup>1</sup> Less than 500,000.

## U.S. agricultural exports by regions

Region and country <sup>1</sup>	October-August		August		Change from year earlier	
	1979/80	1980/81	1980	1981	October-August	August
			\$ Mil.		PCT	
Western Europe . . . . .	11,256	10,509	847	728	-7	-14
European Community (EC-9) . . . . .	8,586	7,971	690	550	-7	-20
Other Western Europe . . . . .	2,670	2,537	157	178	-5	+13
Greece . . . . .	253	204	24	20	-19	-17
Portugal . . . . .	547	719	40	57	+31	+43
Spain . . . . .	1,188	960	55	49	-19	-11
Eastern Europe . . . . .	2,135	1,843	137	84	-14	-39
German Dem. Rep. . . . .	470	335	5	8	-29	+60
Poland . . . . .	617	660	43	39	+7	-9
Romania . . . . .	435	414	40	6	-5	-85
U.S.S.R. . . . .	1,412	1,379	( <sup>2</sup> )	31	-2	-
Asia . . . . .	12,904	14,779	1,182	1,162	+15	-2
West Asia . . . . .	1,217	1,566	72	146	+29	+103
Iran . . . . .	52	151	0	45	+190	+100
Iraq . . . . .	260	141	9	7	-46	-22
Israel . . . . .	270	332	18	33	+23	+83
Saudi Arabia . . . . .	311	452	27	35	+45	+30
South Asia . . . . .	730	464	60	135	-36	+125
India . . . . .	353	223	4	50	-37	+1,150
Pakistan . . . . .	140	132	42	39	-6	-7
East and Southeast Asia . . . . .	10,958	12,749	1,050	881	+16	-16
China, Mainland . . . . .	1,738	1,977	250	143	+14	-43
Hong Kong . . . . .	421	362	32	28	-14	-12
Indonesia . . . . .	403	358	49	24	-11	-51
Japan . . . . .	5,261	6,261	507	438	+19	-14
Korea . . . . .	1,474	2,012	96	140	+36	+46
Philippines . . . . .	284	313	29	27	+10	-7
Taiwan . . . . .	1,017	1,033	59	61	+2	+3
Africa . . . . .	1,972	2,586	197	206	+31	+4
North Africa . . . . .	1,067	1,364	79	73	+28	-8
Algeria . . . . .	184	246	5	9	+34	+80
Egypt . . . . .	673	904	62	49	+34	-21
Other Africa . . . . .	905	1,222	118	131	+35	+11
Nigeria . . . . .	313	443	23	50	+42	+117
Latin America and Caribbean . . . . .	4,916	6,435	537	452	+31	-16
Brazil . . . . .	629	774	40	57	+23	+43
Caribbean . . . . .	644	742	46	60	+15	+30
Central America . . . . .	352	353	33	40	-	+21
Chile . . . . .	234	328	30	27	+40	-10
Mexico . . . . .	1,775	2,589	231	136	+46	-41
Peru . . . . .	216	415	20	25	+92	+25
Venezuela . . . . .	561	835	86	75	+49	-13
Canada, excl. transshipments . . . . .	1,585	1,869	151	150	+17	-1
Canadian transshipments . . . . .	891	1,009	175	100	+13	-43
Oceania . . . . .	175	187	17	15	+7	-12
Total . . . . .	37,245	40,585	3,244	2,926	+9	-10

<sup>1</sup> Not adjusted for transshipments. <sup>2</sup> Less than \$500,000.

## Trade balance

	October-August		August	
	1979/80	1980/81	1980	1981
	\$ Mil.			
Agricultural exports <sup>1</sup> . . . . .	37,245	40,585	3,244	2,926
Nonagricultural exports <sup>2</sup> . . . . .	155,345	170,205	14,379	14,528
Total exports <sup>3</sup> . . . . .	192,590	210,790	17,623	17,454
Agricultural imports <sup>3</sup> . . . . .	16,038	15,938	1,320	1,309
Nonagricultural imports <sup>4</sup> . . . . .	204,243	218,913	17,686	21,132
Total imports . . . . .	220,281	234,851	19,006	22,441
Agricultural trade balance . . . . .	21,207	24,647	1,924	1,617
Nonagricultural trade balance . . . . .	-48,898	-48,708	-3,307	-6,604
Total trade balance . . . . .	-27,691	-24,061	-1,383	-4,987

<sup>1</sup> Domestic exports including Department of Defense shipments (F.A.S. value). <sup>2</sup> Domestic and foreign exports including Department of Defense shipments (F.A.S. value). <sup>3</sup> Imports for consumption (Customs value). <sup>4</sup> General imports (Customs value).



## Prices of principal U.S. agricultural trade products

	Annual			1980		1981				
	1978	1979	1980	Sept	Apr	May	June	July	Aug	Sept
<b>Export commodities:</b>										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	3.56	4.45	4.78	4.95	4.93	4.77	4.63	4.62	4.68	4.72
Corn, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	2.66	3.01	3.28	3.67	3.71	3.63	3.52	3.57	3.38	3.10
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	2.48	2.85	3.38	3.71	3.61	3.49	3.24	3.27	3.12	2.89
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	7.04	7.59	7.39	8.52	8.07	7.92	7.44	7.64	7.25	7.01
Soybean oil, Decatur (cts./lb.) . . . . .	25.79	27.59	23.63	25.99	23.18	21.14	21.27	22.68	20.41	19.14
Soybean meal, Decatur (\$/ton) . . . . .	170.71	191.08	196.47	235.00	221.38	222.50	200.32	204.89	200.36	189.60
Cotton, 10 market avg. spot (cts./lb.) . . . . .	58.31	61.81	81.13	87.5	81.15	78.46	78.10	75.07	66.44	60.81
Tobacco, avg. price of auction (cts./lb.) . . . . .	121.88	132.15	142.29	149.46	149.50	149.96	149.96	157.44	162.04	166.98
Rice, f.o.b. mill, Houston (\$/cwt.) . . . . .	20.61	20.25	21.89	21.70	27.75	27.99	27.40	26.99	25.00	24.85
Inedible tallow, Chicago (cts./lb.) . . . . .	19.74	23.45	18.52	19.40	16.46	16.55	16.00	15.19	15.00	14.50
<b>Import commodities:</b>										
Coffee, N.Y. spot (\$/lb.) . . . . .	1.66	1.74	1.64	1.45	1.25	1.26	1.17	1.23	1.29	1.14
Sugar, N.Y. spot (cts./lb.) . . . . .	13.92	15.61	30.10	35.93	20.00	17.43	19.00	19.10	17.42	15.49
Cow meat, f.o.b. port of entry (cts./lb.) . . . . .	97.17	130.98	125.18	129.15	114.80	112.95	110.48	109.50	111.50	112.30
Rubber, N.Y. spot (cts./lb.) . . . . .	50.19	64.57	73.80	75.50	60.40	59.08	58.46	55.43	53.72	na
Cocoa beans, N.Y. (\$/lb.) . . . . .	1.53	1.44	1.14	1.04	.92	.83	.70	.88	.97	1.01
Bananas, f.o.b. port of entry (\$/40-lb. box) . . . . .	5.20	5.91	6.89	6.40	7.72	8.16	7.04	5.98	5.54	7.89

n.a. = not available.

## U.S. agricultural imports

	October-August				August			
	1979/80	1980/81	1979/80	1980/81	1980	1981	1980	1981
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry . . . . .	—	—	434,311	311,928	—	—	35,131	20,628
Meat and preparations, excl. poultry (mt) . . . . .	851	823	2,125,731	2,037,988	77	76	180,250	175,429
Beef and veal (mt) . . . . .	651	604	1,641,005	1,481,034	57	55	134,264	123,114
Pork (mt) . . . . .	173	188	418,659	476,608	18	19	40,688	45,289
Dairy products, excluding eggs . . . . .	—	—	420,633	479,489	—	—	38,302	37,356
Poultry and poultry products . . . . .	—	—	65,072	87,558	—	—	6,696	9,141
Grains and preparations . . . . .	—	—	245,055	282,055	—	—	20,956	22,451
Wheat and flour (mt) . . . . .	2	6	565	2,735	1	1	167	249
Rice (mt) . . . . .	2	6	1,441	3,974	( <sup>1</sup> )	1	111	528
Feed grains (mt) . . . . .	172	140	27,226	26,780	9	6	1,694	913
Other . . . . .	—	—	215,823	248,566	—	—	18,984	20,761
Fruits, nuts, and preparations . . . . .	—	—	1,127,034	1,358,630	—	—	94,558	122,371
Bananas, Fresh (mt) . . . . .	2,101	2,250	367,354	459,391	154	206	28,475	41,927
Vegetables and preparations . . . . .	—	—	809,897	980,358	—	—	48,015	159,881
Sugar and preparations, incl. honey . . . . .	—	—	1,654,138	2,221,278	—	—	202,828	130,951
Sugar, cane or beet (mt) . . . . .	3,635	3,362	1,447,095	2,005,667	317	284	187,468	117,190
Coffee, tea, cocoa, spices, etc. (mt) . . . . .	1,536	1,511	5,443,503	4,043,803	119	127	395,795	299,719
Coffee, green (mt) . . . . .	1,041	918	3,948,563	2,635,801	83	73	302,215	187,357
Cocoa beans (mt) . . . . .	132	226	378,615	439,974	10	22	23,337	42,546
Feeds and fodders . . . . .	—	—	79,132	100,032	—	—	7,288	8,824
Protein meal (mt) . . . . .	29	34	4,780	7,184	1	5	260	901
Beverages, excl. distilled alcohol (hl) . . . . .	8,326	9,251	934,805	1,040,170	880	1,013	96,293	99,270
Tobacco, unmanufactured (mt) . . . . .	157	146	370,945	328,478	11	15	25,173	35,582
Hides, skins, and furskins . . . . .	—	—	207,957	259,333	—	—	13,957	18,311
Oilseeds . . . . .	—	—	49,021	370,659	—	—	3,752	9,532
Soybeans (mt) . . . . .	1	11	221	3,647	( <sup>1</sup> )	( <sup>1</sup> )	16	134
Wool, unmanufactured (mt) . . . . .	29	41	100,239	144,224	3	3	9,998	10,413
Cotton, unmanufactured (mt) . . . . .	20	12	7,994	9,299	3	( <sup>1</sup> )	768	129
Fats, oils, and greases (mt) . . . . .	7	11	6,432	8,583	1	2	419	987
Vegetable oils and waxes (mt) . . . . .	605	767	526,932	482,091	46	50	33,231	33,120
Rubber and allied gums (mt) . . . . .	571	563	758,807	695,621	33	45	44,815	50,165
Other . . . . .	—	—	670,140	696,487	—	—	61,951	65,166
Total . . . . .	—	—	16,037,778	15,938,064	—	—	1,320,176	1,309,426

<sup>1</sup> Less than 500,000. Note: 1 metric ton (mt) = 2,204.622 lb, 1 hectoliter (hl) = 100 liters = 26.42008 gal.

# World Agricultural Production

## World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 <sup>1</sup>
	Mil. units							
<b>Wheat:</b>								
Area (hectare) . . . . .	219.8	224.8	232.5	226.4	228.3	227.6	235.4	238.4
Production (metric ton) . . . . .	357.3	350.6	421.2	383.8	446.6	422.3	438.2	447.5
Exports (metric ton) <sup>2</sup> . . . . .	63.9	66.7	63.1	73.0	72.0	86.5	93.6	103.2
Consumption (metric ton) <sup>3</sup> . . . . .	363.8	351.7	385.2	398.5	429.9	443.9	443.9	444.0
Ending stocks (metric ton) <sup>4</sup> . . . . .	63.9	62.8	98.8	84.0	100.8	79.2	73.5	77.0
<b>Coarse grains:</b>								
Area (hectare) . . . . .	342.8	350.2	344.6	345.0	342.6	340.7	341.4	341.3
Production (metric ton) . . . . .	628.5	645.3	704.4	700.9	753.6	740.0	727.3	766.5
Exports (metric ton) <sup>2</sup> . . . . .	63.4	76.4	82.5	84.0	90.1	100.7	105.4	111.4
Consumption (metric ton) <sup>3</sup> . . . . .	634.7	645.9	685.4	692.4	747.2	741.2	741.8	750.4
Ending stocks (metric ton) <sup>4</sup> . . . . .	57.3	56.7	75.6	84.1	90.7	89.4	74.8	90.9
<b>Rice, milled:</b>								
Area (hectare) . . . . .	137.8	142.8	141.6	142.9	142.5	141.1	144.0	145.0
Production (metric ton) . . . . .	227.3	243.1	236.2	248.9	259.2	253.8	266.4	273.9
Exports (metric ton) <sup>2</sup> . . . . .	7.8	9.0	10.5	9.5	11.8	12.5	13.5	12.0
Consumption (metric ton) <sup>3</sup> . . . . .	228.9	235.5	237.5	243.1	254.7	258.7	266.3	272.5
Ending stocks (metric ton) <sup>4</sup> . . . . .	11.3	18.9	17.6	23.6	27.7	22.8	22.9	24.3
<b>Total grains:</b>								
Area (hectare) . . . . .	700.4	717.8	718.7	714.3	713.4	709.4	720.8	724.7
Production (metric ton) . . . . .	1,213.1	1,239.0	1,361.8	1,333.6	1,458.9	1,416.1	1,431.8	1,487.9
Exports (metric ton) <sup>2</sup> . . . . .	135.1	152.1	156.1	166.5	173.9	199.7	212.5	226.6
Consumption (metric ton) <sup>3</sup> . . . . .	1,227.4	1,233.1	1,308.1	1,334.0	1,431.8	1,443.8	1,452.0	1,466.9
Ending stocks (metric ton) <sup>4</sup> . . . . .	132.5	138.4	192.0	191.7	219.2	191.5	171.2	192.2
<b>Oilseeds and meals:<sup>5</sup></b>								
Production (metric ton) . . . . .	65.1	73.3	66.7	78.6	83.4	95.8	85.8	94.4
Trade (metric ton) . . . . .	27.7	33.8	33.9	38.8	40.6	46.2	44.1	46.0
<b>Fats and Oil:<sup>6</sup></b>								
Production (metric ton) . . . . .	46.2	49.3	47.4	52.4	54.4	59.1	57.0	59.4
Trade (metric ton) . . . . .	14.0	16.1	16.9	18.3	19.3	20.8	20.0	20.8
<b>Cotton:</b>								
Area (hectare) . . . . .	33.4	29.8	30.7	32.8	32.4	32.0	32.5	33.5
Production (bale) . . . . .	64.5	54.0	56.7	64.1	60.1	65.6	65.4	70.9
Exports (bale) . . . . .	17.5	19.1	17.6	19.1	19.8	22.6	19.9	20.5
Consumption (bale) . . . . .	58.7	61.1	60.6	60.0	62.8	65.3	65.6	67.1
Ending stocks (bale) . . . . .	30.9	24.0	20.4	25.0	22.0	22.4	22.2	25.6

<sup>1</sup> Forecast. <sup>2</sup> Excludes intra-EC trade. <sup>3</sup> Where stocks data not available (excluding USSR), consumption includes stocks changes. <sup>4</sup> Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level.

<sup>5</sup> Soybean meal equivalent. <sup>6</sup> Calendar Year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.



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